
CHAPTER 14 - FORM AND CONTENT OF FINANCIAL STATEMENTS

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14.1 INTRODUCTION

14.1.1 Content of Annual Financial Statement

The "Annual Financial Statement" of a reporting entity shall consist of:

- (1) Management discussion and analysis (MD&A)
- (2) Principal statements and related notes
- (3) Required supplementary stewardship information (RSSI)
- (4) Required supplementary information (RSI)

In addition, the annual financial statement should include "other accompanying information" that, in the judgment of management, provides users of the financial statement with relevant information useful for obtaining a better understanding of the entity's programs and the extent to which they are achieving their intended objectives.

The principal statements shall include:

- (1) Balance Sheet
- (2) Statement of Net Cost
- (3) Statement of Changes in Net Position
- (4) Statement of Budgetary Resources
- (5) Statement of Financing

A detailed description and instructions for each of the parts of the annual financial statement is provided in this chapter.

Financial statements prepared in accordance with this chapter should present summary or detailed information necessary to make the statements most useful to readers. Care should be taken to avoid placing so much detail in the body of the statements that they cannot be easily comprehended. Where substantial detail is necessary to properly convey the information, the body of the statement should contain summary information and the detail should be reported in footnotes to the statements. The instructions for each of the principal statements describe the ways in which information should be presented.

14.1.2 General Instructions

The financial statements in this section illustrate the format for USDA's fiscal year 2000 consolidated financial statements. USDA components (agencies and corporations) and mission areas should use this format for their individual financial statements. Uniform financial statement presentation enables OCFO to crosswalk agency financial statement submissions to the audited agency data. Agencies may include additional lines in their statements. Additional lines must sum to a single line on the consolidated USDA statements. Agencies shall submit a line-by-line crosswalk including supporting documentation when their financial statement line items are more detailed than the consolidated financial statement format.

14.1.3 Templates

All mission areas shall use the Microsoft Excel 97 templates to submit their financial statements and footnotes to the National Finance Center (NFC), and their required supplementary stewardship information and required supplementary information to FSRAD. It is imperative that the templates not be changed; no rows or columns of information should be added or deleted, and no formulas should be altered. Customization should only be done on an agency or mission area copy of the template, not the version to be submitted to OCFO.

The templates must be completed in Microsoft Excel 97. Narratives for USDA consolidated statement footnotes will be drafted by OCFO and provided to agencies and mission areas in a separate word processing file, Microsoft Word 97, for edit. No narrative should be included in the Excel templates.

14.1.4 Internet Publication

The USDA consolidated financial statements and the financial statements of all USDA stand-alone components will be published on the internet after submission to OMB. To facilitate this process, agencies should prepare electronic files of their financial statements in Microsoft Word 97. Spreadsheet files should preferably be linked to the wordprocessing files, not submitted separately. Agencies should consolidate their total financial statement package into as few electronic files as possible, including the auditor's report, and clearly label the sequence of the files (e.g., CCCFile1, CCCFile2, etc.). A suggested delineation of the files would be to group them as follows:

1. Auditor's report
2. MD&A
3. General Purpose Financial Statements and Related Footnotes
4. RSSI, RSI, and Other Accompanying Information.

14.1.5 Denomination

Whole dollars should be used for all amounts presented in the published USDA financial statements and footnotes. Templates for preparation of the USDA financial statements and footnotes should also be submitted in whole dollars. Stand-alone components may publish their own financial statements in denominations other than millions if their management so chooses.

14.1.6 Submissions

The due dates for submissions are as follows:

August 4, 2000	USDA components submit draft consolidated MD&A and OAI material, excluding quantitative data, to FSRAD.
September 15, 2000	USDA components submit comments to FSRAD on draft consolidated MD&A and OAI, excluding quantitative data.
November 17, 2000	USDA components and FSRAD complete the narrative portion of the consolidated RSSI and RSI Deferred Maintenance (DM) disclosures.
November 27, 2000	Nonstand-alone USDA components submit financial statement and footnote templates electronically to mission area preparers; and, Stand-alone USDA components submit financial statement and footnote templates electronically to mission area preparers.
November 29, 2000	Mission area preparers submit final of mission area financial statement and footnote templates (including mission area eliminations) to NFC and OIG.
December 8, 2000	Department and Forest Service Working Capital Funds submit RSI segment information to NFC.
December 15, 2000	USDA components submit RSSI and RSI/DM quantitative data to FSRAD.
December 20, 2000	All USDA components submit final auditor-approved template adjustments to mission area financial statement preparers. OIG provides mission areas adjustments to mission area financial statement preparers.
December 22, 2000	Mission area financial statement preparers submit final template adjustments to NFC.

The Microsoft Excel spreadsheet templates and Microsoft Word narrative templates should be submitted by e-mail or by overnight mail on a floppy disk to NFC as follows:

by GroupWise e-mail: Roderick Bell

by Internet e-mail: Roderick.Bell@usda.gov

by overnight mail: USDA/OCFO/NFC
FINANCIAL SERVICES DIVISION
ACCOUNTING REPORTING BRANCH
13800 OLD GENTILLY ROAD
NEW ORLEANS, LA 70129

14.1.7 Quality Assurance

Each USDA component and mission area financial statement preparer should conduct a review to ensure that:

- Individual line items on the statements add up to the totals.
- Ensure that schedules presented in the footnotes in support of amounts presented on financial statements have total figures which agree with the amounts presented in the body of the financial statements. A verification linking document of cross-references between the financial statements and footnotes or other information in the general purpose financial statements is provided in Exhibit D and should be completed in the quality assurance review process;
- Ensure that all footnotes have explanatory text describing the information presented in footnote quantitative schedules. Any footnote line items with other than a normal balance should be explained.

14.2 MANAGEMENT'S DISCUSSION AND ANALYSIS

OMB issued SFFAS No. 15, Management's Discussion and Analysis (MD&A), requiring MD&A to be included in each general purpose federal financial report as required supplementary information and identifying subjects that should be addressed in the MD&A. The standards are effective for reporting periods that begin after September 30, 1999. See SFFAS No. 15 for reporting requirements.

Subjects that should be addressed in the MD&A follow:

the entity's mission and organizational structure;
the entity's performance goals and results;
the entity's financial statements;
the entity's systems, controls, and legal compliance; and
the future effects on the entity of existing, currently-known demands, risks, uncertainties, events, conditions and trends.

The MD&A should provide a balanced presentation that includes both positive and negative information about the above topics. The MD&A should discuss important problems that need to be addressed, and actions that have been taken or planned. Because the MD&A must be concise if it is to be useful, management must select the most important matters to discuss. This means that some items that are material to the financial statements, notes, and other sections may not be discussed in the MD&A.

Matters to be discussed and analyzed are those that management of the reporting entity believes it is reasonable to assume could:

- lead to significant actions or proposals by top management of the reporting unit;
- be significant to the managing, budgeting, and oversight functions of Congress and the Administration; or
- significantly affect the judgment of citizens about the efficiency and effectiveness of their Federal Government.

14.2.1 Reporting Requirements

Mission areas shall submit materials in the format prescribed by the MD&A workgroup for inclusion in the USDA consolidated financial report to OCFO, through the MD&A workgroup, by the dates outlined in the timeline.

14.2.2 Documentation

In developing financial, statistical, and other information for presentation in the MD&A section, entities shall prepare and retain adequate supporting documentation for review and audit for 18 months after the fiscal year end, including the form presented in Exhibit A. The form must be completed for each performance measure by the reporting entity and submitted to OCFO, through the MD&A workgroup. The form will (1) reference the documents, reports, or the sources of the financial and nonfinancial performance measure data reported in the MD&A section, and (2) contain the name, phone number, fax number, and e-mail address of the person responsible for maintaining the supporting documentation.

14.2.3 Limitations of the Financial Statements

The MD&A section shall state that:

- (1) The financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515(b);
- (2) While the statements have been prepared from the books and records of the entity in accordance with the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records;

- (3) The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so.

14.3 FINANCIAL STATEMENTS AND LINE INSTRUCTIONS

The following pages provide the format and line instructions for the required financial statements for USDA reporting entities. USDA reporting entities may include additional lines on their own statements; however, all additional lines must sum to one line on the consolidated statements. Agencies should submit a line-by-line crosswalk including supporting documentation with their template submissions when their financial statement line items are presented with more lines than the consolidated financial statement format.

Stand-alone reporting entity components should consider reporting separate balance sheet line items for amounts which represent 20 percent or more of their total assets or total liabilities and that otherwise would be reported in Other Assets or Other Liabilities. Additional lines on the balance sheet should have an explanatory footnote associated with them, such reference which could be footnote 1. Any financial statement line item or footnote line item with other than a normal balance should be explained in one of the footnotes.

All Treasury Account Fund Symbols (TAFS) for a USDA component should be reported in the USDA consolidated financial statements, including unavailable general fund receipt accounts, with the exception of those unavailable general fund receipt accounts related to Credit Reform interest expense and interest income, and Credit Reform negative subsidy expense and negative re-estimates. These latter accounts are intragovernmental in nature, rather than representing net collections to the government. Agencies desiring not to report other TAFS should present them to FSRAD for review and approval.

Unavailable general fund miscellaneous receipt accounts should be reported as custodial activity in Note 22 unless their collections are material, exchange revenue in nature, and the agency incurs significant related costs compared to the revenue collected. In this situation the revenue and costs should be reported on the statement of net cost, according to the SGL crosswalk presented in Exhibit F, with 5990 Custodial Collections offset reported as Revenue Not Assigned to Programs.

U.S. DEPARTMENT OF AGRICULTURE

[Reporting entity]

CONSOLIDATED BALANCE SHEET

As of September 30, 2000

(in millions)

ASSETS**2000**

1. Assets for Use by Entity:

a. Federal

(1) Fund Balance with Treasury (Note 2)	\$xxx
(2) Investments (Note 4)	xxx
(3) Accounts Receivable, Net (Note 5)	xxx
(4) Other Assets (Note 6)	xxx

b. Total Federal Assets for Use by Entity

xxx

c. Non-Federal

(1) Investments (Note 4)	xxx
(2) Accounts Receivable, Net (Note 5)	xxx
(3) Credit Program Receivables and Related Foreclosed Property, Net (Note 7)	xxx
(4) Domestic Commodity Loans, Net (Note 7)	xxx
(5) Other Foreign Receivables, Net (Note 7)	xxx
(6) Cash and Other Monetary Assets (Note 3)	xxx
(7) Inventory and Related Property, Net (Note 8)	xxx
(8) General Property Plant and Equipment, Net (Note 9)	xxx
(9) Other Assets (Note 6)	xxx

d. Total Assets for Use by Entity

xxx

2. Assets Not for Use by Entity:

a. Federal

(1) Fund Balance with Treasury (Note 2)	xxx
(2) Accounts Receivable, Net (Note 5)	xxx
(3) Other Assets (Note 6)	xxx

b. Total Federal Assets Not for Use by Entity

xxx

c. Non-Federal

(1) Accounts Receivable, Net (Note 5)	xxx
(2) Cash and Other Monetary Assets (Note 3)	xxx
(3) Other Assets (Note 6)	xxx

d. Total Assets Not for Use by Entity

x,xxx

3. Total Assets

\$x,xxx

U.S. DEPARTMENT OF AGRICULTURE

[Reporting entity]

CONSOLIDATED BALANCE SHEET

As of September 30, 2000

(in millions)

LIABILITIES**2000**

4. Liabilities Covered by Budgetary Resources:

a. Federal

(1) Accounts Payable	\$ xxx
(2) Debt (Note 10)	xxx
(3) Liabilities for Environmental Cleanup Costs (Note 11)	xxx
(4) Resources Payable to Treasury (Note 1)	xxx
(5) Other Liabilities (Note 12)	<u>xxx</u>

b. Total Federal xxx

c. Non-Federal

(1) Accounts Payable	xxx
(2) Debt (Note 10)	xxx
(3) Estimated Losses on Loan and Foreign Credit Guarantees (Note 7)	xxx
(4) Liabilities for Environmental Cleanup Costs (Note 11)	xxx
(5) Other Liabilities (Note 12 and 13)	<u>xxx</u>

d. Total Liabilities Covered by Budgetary Resources x,xxxx,xxx

5. Liabilities Not Covered by Budgetary Resources:

a. Federal

(1) Accounts Payable	xxx
(2) Debt (Note 10)	xxx
(3) Liabilities for Environmental Cleanup Costs (Note 11)	xxx
(4) Accrued Federal Employees Compensation Act Bills (Note 1)	xxx
(5) Other Liabilities (Note 12)	<u>xxx</u>

b. Total Federal xxx

c. Non-Federal

(1) Accounts Payable	xxx
(2) Debt (Note 10)	xxx
(3) Liabilities for Environmental Cleanup Costs (Note 11)	xxx
(4) Annual Leave	xxx
(5) Federal Employees Compensation Act Liability (Note 1)	xxx
(6) Other Liabilities (Note 12 and 13)	<u>xxx</u>

d. Total Liabilities Not Covered by Budgetary Resources x,xxxx,xxx

6. Total Liabilities

\$x,xxx**NET POSITION****2000**

7. Unexpended Appropriations (Note 14)

\$xxx

8. Cumulative Results of Operations

xxx

9. Total Net Position

xxx

10. Total Liabilities and Net Position

\$x,xxx

The accompanying notes are an integral part of these statements.

14.4 INSTRUCTIONS FOR THE BALANCE SHEET

The balance sheet presents, as of a specific time, amounts of future economic benefits owned or managed by the reporting entity excluding items subject to stewardship reporting (assets), amounts owed by the entity (liabilities), and amounts which comprise the difference (net position). The balance sheet presents assets available for use by the reporting entity (assets for use by entity) separately from those managed by the reporting entity but not available for use in its operations (assets not for use by entity). In FY 2001 OMB has directed that the split of assets for use by the entity separate from assets not available for use by the entity will not be shown on the face of the balance sheet statement. Instead, the assets will be combined and a footnote will disclose the assets not available for use by the entity. Implementation earlier than FY 2001 is optional; however, USDA has chosen not to implement the change for FY 2000.

The balance sheet also separately presents liabilities covered by budgetary resources and liabilities not covered by budgetary resources. OMB has directed that the separation of liabilities covered by budgetary resources versus liabilities not covered by budgetary resources will not be presented on the face of the balance sheet for FY 2001 reporting. Rather, a footnote will disclose the liabilities not covered by budgetary resources. Implementation in FY 2000 is optional; however, USDA is not implementing this change for FY 2000 reporting.

The balance sheet displayed on the previous pages illustrates consolidated single column information. Reporting entities preparing financial statements in accordance with this manual may present similar information or may present information in separate columns for their primary components, e.g., major lines of business.

14.4.1 Assets

Assets are tangible or intangible items owned by the Federal Government which have probable economic benefits that can be obtained or controlled by a Federal Government entity. The assets of Federal agencies are classified as assets for use by entity and assets not for use by entity. Both assets for use and not for use by entity are further divided into two sub-sections: federal and non-federal assets. These terms are defined below. The nature of the assets described below shall determine which of the four categories the assets should be classified within. As illustrated in the model balance sheet, many of these assets have amounts that fall into more than one category and should be classified accordingly.

1. Assets for Use by Entity. These are assets which the reporting entity has authority to use in its operations. The authority to use funds in an entity's operations means that entity management has the authority to decide how funds are used, or management is legally obligated to use funds to meet entity obligations, e.g., repay loans from Treasury.
 - a. Federal. These assets arise from transactions among Federal entities. These assets are claims of a Federal entity against other Federal entities.

(1) Fund Balance with Treasury. The aggregate amount of the entity's accounts with Treasury for which the entity is authorized to make expenditures and pay liabilities. This account includes clearing account balances and the dollar equivalent of foreign currency account balances, and is reported based upon the account balances in the general ledger. Foreign currency account balances reported on the balance sheet shall be translated into U.S. dollars at exchange rates determined by the Treasury and effective at the financial reporting date. Additional information shall be disclosed in Note 2.

(2) Investments. Investments in Federal securities includes non-marketable par value Treasury securities, market-based Treasury securities, marketable Treasury securities, and securities issued by other Federal entities. Investments are normally reported at acquisition cost or amortized acquisition cost (less an allowance for losses, if any). The components of investments, including the market value of market-based and marketable Treasury securities, shall be disclosed in Note 4.

(3) Accounts Receivable, Net. Federal entity claims for payment from other federal entities. Include interest receivable (interest income earned but not received as of the reporting date) as a component of accounts receivable. Gross receivables shall be reduced to net realizable value by an allowance for doubtful accounts. Disclose the method(s) of calculating the allowance for doubtful accounts and the dollar amount of the allowance in Note 5.

(4) Other Assets. Reporting entities should disclose in Note 6, the amount and nature of major categories of Other Assets. Advances and prepayments, which were previously reported as separate line items, should be reported in Other Assets.

b. Non-Federal. These assets arise from transactions of the Federal Government or an entity of the Federal Government with non-Federal entities. The term "non-Federal entities" encompasses domestic and foreign persons and organizations outside the U. S. government.

(1) Investments. See definition under 1. Assets for Use by Entity, a. Federal. The components of investments, including the market value of market-based and marketable Treasury securities, shall be disclosed in Note 4.

(2) Accounts Receivable, Net. Federal entity claims for payment from other non-federal entities. Include interest receivable (interest income earned but not received as of the reporting date) as a component of accounts receivable. Gross receivables shall be reduced to net realizable value by an allowance for doubtful accounts. Disclose the method(s) of calculating the allowance for doubtful accounts and the dollar amount of the allowance. Additional information shall be disclosed in Note 5.

(3) Credit Program Receivables and Related Foreclosed Property, Net. The net value of assets related to pre-1992 and post-1991 direct loans receivable and acquired defaulted guaranteed loans receivable. Credit program receivables are considered an entity asset if the entity has the authority to determine the use of the funds collected or if the entity is legally obligated to use the funds to meet entity obligations, e. g., loans payable to Treasury. Note 7, Sections B, C, D and E provide information relating to the components of this item. This line includes;

--Loans and Credits Receivable, Gross. This item represents the gross value of loan or credit receivables and any miscellaneous credit program receivables related to pre-1992 and post-1991 credit program activity.

--Interest Receivable, Gross. This item represents the gross value of interest receivable on pre-1992 and post-1991 performing loan and credit activity that is less than 90 days delinquent.

--Foreclosed Property, Gross. Include any asset (other than cash) received in satisfaction of a loan receivable or as a result of payment of a claim under a guaranteed or insured loan.

--Related Allowances on Credit Program Receivables. This item represents both the Allowance for Subsidy on post-1991 credit receivables and the Allowance for Credit Program Receivables on pre-1992 credit receivables. All allowances are reported at net present value.

(4) Domestic Commodity Loans, Net. CCC's domestic loans outstanding at fiscal year end. These loans are not subject to the present value reporting requirements mandated by the Credit Reform Act of 1990 and are, therefore, presented separately from such loans. Information pertaining to Domestic Commodity loans should be disclosed in Note 7.

(5) Other Foreign Receivables, Net. Foreign receivables outstanding at fiscal year end. These receivables are not subject to the present value reporting requirements mandated by the Credit Reform Act of 1990; therefore, they are presented separately from such loans. Information pertaining to Other Foreign Receivables should be disclosed in Note 7.

(6) Cash and Other Monetary Assets. Cash resources and all other monetary assets. Cash consists of: (i) coins, paper currency and readily negotiable instruments, such as money orders, checks, and bank drafts on hand or in transit for deposit; (ii) amounts on demand deposit with banks or other financial institutions; (iii) cash held in imprest funds; and, (iv) foreign currencies, which, for accounting purposes, shall be translated into U.S. dollars at the exchange rate on the financial statement date.

ther monetary assets include gold, special drawing rights, and U.S. Reserves in the International Monetary Fund. This category is principally for use by the Treasury Department. The amount of cash and other monetary assets that the reporting entity holds and is authorized to spend is entity cash. The components of cash and other monetary assets shall be disclosed in Note 3.

(7) Inventory and Related Property, Net.

<u>CATEGORY</u>	<u>DESCRIPTION</u>
Inventory	Tangible personal property that is (i) held for sale, including raw materials and work in process, (ii) in the process of production for sale, or (iii) to be consumed in the production of goods for sale or in the provision of services for a fee.
Operating materials and supplies	Tangible personal property to be consumed in normal operations.
Stockpile materials	Strategic and critical materials held due to statutory requirements for use in national defense, conservation or national emergencies. They are not held with the intent of selling in the ordinary course of business.
Seized property	<p>Monetary instruments, real property, and tangible personal property of others, including illegal drugs, contraband, and counterfeit items seized by authorized law enforcement agencies as a consequence of various laws, in the actual or constructive possession of a custodial agency.</p> <p>Only seized monetary instruments shall be recognized as seized assets when seized (and a liability shall be reported in an amount equal to the seized asset value). Seized property other than monetary instruments and additional information regarding seized property shall be disclosed.</p>
Forfeited property	(i) Monetary instruments, intangible property, real property, and tangible personal property acquired through forfeiture proceedings; (ii) property acquired by the government to satisfy a tax liability; and (iii) unclaimed and abandoned merchandise.
Goods held under price support and stabilization program	These goods are referred to as commodities. Commodities are items of commerce or trade having an exchange value

Additional information should be disclosed in Note 8.

(8) General Property, Plant, and Equipment, Net. SFFAS No. 6 defines general property, plant and equipment (PP&E) as any PP&E used in providing goods and services and provides guidance for determining the cost of general PP&E acquired by purchase, capital leases, donation, devise, judicial process, exchange, forfeiture, or transfers from other Federal entities.

General PP&E has one or more of the following characteristics:

- It could be used for alternative purposes (e.g., by other Federal programs, State or local governments, or non-governmental entities) but is used to produce goods or services, or to support the mission of the entity, or
- It is used in a significantly self-sustaining activity which finances its continuing cycle of operations through the collection of revenue (business-type activities), or
- It is used by entities in activities whose costs can be compared to other entities performing similar activities.

For entities operating as business-type activities, all PP&E shall be categorized as general PP&E whether or not it meets the definition of other PP&E categories (e.g., heritage assets).

Land and land rights acquired for or in connection with general PP&E shall be included in general PP&E.

The costs of software developed by employees of the entity are considered internally-developed software costs. These direct costs should be included in general PP&E or reported separately if (1) the costs are intended primarily to be recovered through user charges and (2) feasibility has been proven.

The expense associated with the use of general PP&E is calculated through the systematic and rational allocation of the cost, less its estimated salvage/residual value, over the estimated useful life of the general PP&E. This expense, known as depreciation, shall be recognized on all general PP&E, except land and land rights of unlimited duration.

Federal mission PP&E, heritage assets, and stewardship land are categories of PP&E not reported on the balance sheet. Additional information shall be disclosed in Note 9.

(9) Other Assets. Reporting entities should disclose in Note 6, the amount and nature of major categories of Other Assets. Advances and prepayments, which were previously reported as separate line items, should be reported in Other Assets.

c. Total Assets for Use by Entity. The sum of Lines 1.a.(1) through 1.b.(10).

2. Assets Not for Use by Entity. These are assets that are held by an entity but are not available to the entity. An example of assets not for use by entity are income tax receivables, which the IRS collects for the U.S. government but has no authority to spend.
- a. Federal. These assets arise from transactions among Federal entities. These assets are claims of a Federal entity against other Federal entities.
- (1) Fund Balance with Treasury. The aggregate amount of the entity's accounts with Treasury as reported in the agency's general ledger for which the entity maintains fund balances in deposit, suspense, and clearing accounts that are not available to finance the entity's activities. Additional information shall be disclosed in Note 2.
- (2) Accounts Receivable, Net. Federal entity claims for payment from other federal entities. Include interest receivable, interest income earned but not received as of the reporting date, as a component of accounts receivable. Gross receivables shall be reduced to net realizable value by an allowance for doubtful accounts. Disclose the method(s) of calculating the allowance for doubtful accounts and the dollar amount of the allowance in Note 5.
- (3) Other Assets. Reporting entities should disclose in Note 6, the amount and nature of major categories of Other Assets. Advances and prepayments, which were previously reported as separate line items, should be reported in Other Assets.
- b. Non-Federal. These assets arise from transactions of the Federal Government or an entity of the Federal Government with non-Federal entities. The term "non-Federal entities" encompasses domestic and foreign persons and organizations outside the U. S. government.
- (1) Accounts Receivable, Net. Federal entity claims for payment from other non-federal entities. Include interest receivable, interest income earned but not received as of the reporting date, as a component of accounts receivable. Gross receivables shall be reduced to net realizable value by an allowance for doubtful accounts. Disclose the method(s) of calculating the allowance for doubtful accounts and the dollar amount of the allowance. Additional information shall be disclosed in Note 5.
- (2) Cash and Other Monetary Assets. See definition under 1. Assets for Use by the Entity, a. Federal. The cash and other monetary assets that a Federal entity collects and holds on behalf of the U.S. government or other entities is non-entity cash and other monetary assets. The components of cash and other monetary assets shall be disclosed in Note 3.
- (3) Other Assets. Reporting entities should disclose in Note 6, the amount and nature of major categories of Other Assets. Advances and prepayments, which were previously reported as separate line items, should be reported in Other Assets.
- c. Total Assets Not for Use by Entity. The sum of Lines 2.a.(1) through 2.b.(3).

3. Total Assets. The sum of Lines 1.c. and 2.c.

14.4.2 Liabilities

A liability is a probable future outflow or other sacrifice of resources as a result of past transactions or events. Financial statements shall recognize probable and measurable future outflows or other sacrifices of resources arising from (1) past exchange transactions, (2) government-related events, (3) government-acknowledged events, or (4) nonexchange transactions that, according to current law and applicable policy, are unpaid amounts due as of the reporting date. SFFAS No. 5 describes the general principles governing the recognition of a liability.

Liabilities shall be recognized when they are incurred regardless of whether they are covered by available budgetary resources. This includes liabilities related to appropriations canceled under "M" account legislation.

Liabilities of Federal agencies are classified as liabilities covered or not covered by budgetary resources. These are both further divided into two sub-sections: Federal and Non-Federal liabilities. These terms are defined below and in SFFAS No. 1.

4. Liabilities Covered by Budgetary Resources. Liabilities incurred which are covered by available budgetary resources as of the reporting date. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Available budgetary resources include: (1) new budget authority, (2) spending authority from offsetting collections (credited to an appropriation or fund account), (3) recoveries of unexpired budget authority through downward adjustments of prior year obligations, and (4) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year.
- a. Federal. These liabilities are claims against the entity by other Federal entities.
- (1) Accounts Payable. The amounts owed by the reporting entity for goods and services received from, progress in contract performance made by, and rents due to other entities. Include interest payable as a component of accounts payable.
- (2) Debt. Amounts borrowed from the Treasury, the Federal Financing Bank, other Federal agencies, or the public under general or special financing authority (e.g., Treasury bills, Notes, bonds and FHA debentures). Disclose components of debt in Note 10.
- (3) Liabilities for Environmental Cleanup Costs. Additional information on Liabilities for Environmental Cleanup Costs shall be disclosed in Note 11.
- (4) Resources Payable to the Treasury. This item represents the amount of liquidating fund surplus payable to the U.S. Treasury and Marketing Quota Penalties.

(5) Other Liabilities. This item covers liabilities that are not recognized in specific categories. This includes (but is not limited to) amounts payable by the Federal entity for benefits, goods or services provided under the terms of a program, as of the Federal entity's reporting date, whether or not such amounts have been reported to the Federal entity (e.g., estimated payments due to health providers for services that have been rendered and that will be financed by the Federal entity but have not yet been reported to the Federal entity). This item also covers estimated losses for claims or other contingencies if (1) a past event or exchange transaction has occurred (e.g., a Federal entity has breached a contract with a non-Federal entity) as of the date of the statements, (2) a future outflow or other sacrifice of resources is probable, and (3) the future outflow or sacrifice of resources is measurable (i.e., the amount can be reasonably estimated). This line item includes unearned revenue and trust and deposit liabilities which were previously reported as separate line items.

Examples of claims or other contingencies include:

- Indemnity Agreements -- reimbursements due to licensees or contractors for losses incurred in support of Federal activities
- Adjudicated Claims -- claims against the Federal Government that are in the process of judicial proceedings
- Commitments to International Institutions -- payments due to international financial institutions.

Separate reporting of items within other liabilities is appropriate if the amounts are material. Additional information shall be disclosed in Note 12.

b. Non-Federal. These liabilities are claims against the entity by non-Federal entities.

(1) Accounts Payable. See definition under 4. Liabilities Covered by Budgetary Resources, a. Federal.

(2) Debt. See definition under 4. Liabilities Covered by Budgetary Resources, a. Federal. Disclose components of debt in Note 10.

(3) Estimated Loss on Loan and Foreign Credit Guarantees. For post-1991 loan guarantees, the present value of the estimated net cash flows to be paid as a result of loan guarantees. For pre-1992 loan guarantees, the amount of known and estimated losses to be payable. Refer to the instructions in Note 7, Section F.

(4) Liabilities for Environmental Cleanup Costs. Additional information shall be disclosed in Note 11.

(5) Other Liabilities. See definition under 4. Liabilities Covered by Budgetary Resources, a. Federal. Additional information shall be disclosed in Note 12 and 13.

c. Total Liabilities Covered by Budgetary Resources. The sum of Lines 4.a.(1) through 4.b.(8).

5. Liabilities Not Covered by Budgetary Resources. This category is for liabilities which are not considered to be covered by budgetary resources.

a. Federal. These liabilities are claims against the entity by other Federal entities.

(1) Accounts Payable. See definition under 4. Liabilities Covered by Budgetary Resources, a. Federal.

(2) Debt. See definition under 4. Liabilities Covered by Budgetary Resources, a. Federal. Disclose components of debt in Note 10.

(3) Liabilities for Environmental Cleanup Costs. Additional information on Liabilities for Environmental Cleanup Costs shall be disclosed in Note 11.

(4) Accrued Federal Employees Compensation Act Bills. The liability for Accrued Federal Employees Compensation Act Bills is comprised of a current portion due to the Department of Labor for billed charges to be funded in the subsequent year.

(5) Other Liabilities. See definition under 4. Liabilities Covered by Budgetary Resources, a. Federal. Additional information shall be disclosed in Note 12.

b. Non-Federal. These liabilities are claims against the entity by non-Federal entities.

(1) Accounts Payable. See definition under a. Federal.

(2) Debt. See definition under a. Federal. Disclose components of debt in Note 10.

(3) Liabilities for Environmental Cleanup Costs. Disclose additional information in Note 11.

(4) Annual Leave. The amount of accrued annual leave, i.e., earned but not used, that would be funded and paid from future years' appropriations.

(5) Federal Employees Compensation Act Liability. The liability for Federal Employees Compensation Act is comprised of a current portion (calculated by OCFO) and a non-current portion (estimated by the DOL to OCFO, who allocates to each agency).

(6) Other Liabilities. See definition under 4. Liabilities Covered by Budgetary Resources, a. Federal. Additional information shall be disclosed in Notes 12 and 13.

c. Total Liabilities Not Covered by Budgetary Resources. The sum of Lines 5.a.(1) through 5.b.(6).

6. Total Liabilities. The sum of Lines 4.c. and 5.c.

14.4.3 Net Position

The components of net position are classified as follows:

7. Unexpended Appropriations. This amount includes the portion of the entity's appropriations represented by undelivered orders and unobligated balances. The amounts of unobligated balances available and unavailable shall be disclosed in Note 14.
8. Cumulative Results of Operations. The net results of operations since inception plus the cumulative amount of prior period adjustments.
9. Total Net Position. The sum of Lines 7 and 8.
10. Total Liabilities and Net Position. The sum of Lines 6. and 9. Must agree with Line 3, Total Assets.

**U.S. DEPARTMENT OF AGRICULTURE
CONSOLIDATING STATEMENT OF NET COST**
For the years ended September 30, 2000
(in millions)

COSTS: (Note 16)	<u>2000</u>
Program Costs:	
Federal	\$ XXX
Non-federal:	
Grants and Transfers	XXX
Other Program Costs	XXX
Total Program Production Costs	XXX
Less Earned Revenues (Note 17)	XXX
Excess Production Costs Over Revenues	XXX
Nonproduction Costs:	
Acquisition Cost of Heritage Assets	XXX
Acquisition Cost of Stewardship Land	XXX
(Gain) or Loss on Disposition of Assets	XXX
Other Nonproduction Costs	XXX
Net Program Costs	XXX
Costs Not Assigned to Programs	XXX
Less Other Earned Revenues Not Attributed to Programs (Note 17)	XXX
Net Cost Of Operations	\$ <u>XXX</u>
Deferred Maintenance (See Required Supplementary Information)	

The accompanying notes are an integral part of these statements.

14.5 INSTRUCTIONS FOR THE STATEMENT OF NET COST

The Statement of Net Cost is designed to show separately the components of the net cost of the reporting entity's operations for the period. However, the organizational structure and operations of the U.S. Department of Agriculture (USDA) are so complex that to fully display its major programs and activities requires supporting schedules to supplement the information in the Statement of Net Cost. An individual agency/corporation or mission area reporting entity may be able in its own Statement of Net Cost to satisfactorily report the required program cost and exchange revenue information without using supporting schedules.

The supporting schedules for the USDA suborganizations shall be included in Note 16 to the financial statements. The USDA suborganizations are defined for fiscal year 2000 to be the mission areas plus a suborganization titled "Other USDA Services." The suborganizations for FY 2000 are Food, Nutrition, and Consumer Service; Farm and Foreign Agricultural Services; Natural Resources and Environment; Research, Education, and Economics; Rural Development; Marketing and Regulatory Programs; and Food Safety. WCF and Departmental Offices and Programs will roll to the suborganization column titled "Other USDA Services."

Net cost of operations is the gross cost incurred by the reporting entity less any exchange revenue earned from its activities. The gross cost of a program consists of the total production cost of the outputs produced by that program plus any nonproduction costs that can be assigned to the program (nonproduction costs are costs linked to events other than the production of goods and services). The net cost of a program consists of total program production costs less related exchange revenues plus nonproduction costs. By disclosing the total program production costs, excess production costs over revenues, and net cost of the entity's programs, the Statement of Net Cost provides information that can be related to the outputs and outcomes of the programs and activities.

The Statement of Net Cost and related supporting schedules should show the net cost of operations for the reporting entity as a whole and its suborganizations. This can be accomplished by reporting (1) the production cost of goods and services provided to non-federal parties and Federal agencies, (2) related exchange revenues, (3) the excess of production costs over exchange revenues (net program production costs), (4) nonproduction costs, and by reporting for the suborganization or entity as a whole the costs that cannot be assigned to specific outputs or programs and the exchange revenues that cannot be attributed to specific outputs or programs.

The Statement of Net Cost illustrated in this chapter represents the consolidating statement for the Department. Mission areas will submit their Statement of Net Cost information for the consolidating USDA Statement of Net Cost via templates in the format of the supplemental schedules which are described in the instructions for Note 16 in this chapter. NFC and WCF will submit template information for the components of the Other USDA Services suborganization.

The Statement of Budgetary Resources and Statement of Financing are to be prepared on a combined rather than consolidated basis for FY 2000. However, the Statement of Financing will reconcile to the consolidated net cost of operations on the Statement of Net Cost.

14.5.1 Program Costs

These costs include the full costs of the program outputs and consist of the direct costs and all other costs that can be directly traced, assigned on a cause and effect basis, or reasonably allocated to the program outputs. Program costs also include any nonproduction costs that can be assigned to the program but not to its outputs. The costs of program outputs shall include the costs of services provided by other entities whether or not the providing entity is fully reimbursed. See chapter 5 for a detailed discussion of full costs and interentity costs. The costs of program outputs shall also include costs that are paid in total or in part by other entities to the extent that accounting standards and Office of Management and Budget (OMB) guidance require them to be recognized in financial statements. For example, an employer entity shall recognize the cost of pensions and other retirement benefit expenses in its financial statement. The amount recognized shall equal the service costs of its employees for the accounting period, less amounts contributed by the employees. See chapter 11 for further details.

OMB has stated that agencies shall limit recognition of imputed interentity costs to pension, other retirement benefits (ORB), Treasury Judgment Fund claims settlements, and other postemployment benefits for retired, terminated, and inactive employees that are paid by other entities. USDA interprets this limitation to apply to nonreimbursed support received from non-USDA agencies or departments. The Accounting and Auditing Policy Committee will establish a special project to research interentity costs in support of OMB's providing additional guidance in the future.

Costs related to inputs used in the production of program goods and services that were acquired from other Federal organizations shall be reported separately from the costs of inputs acquired from non-federal sources. The former costs are labeled "Federal" on the Department's statement and schedules; the latter are labeled "Non-federal."

Costs related to the production of outputs shall be reported separately from costs that are more closely related to an event and not related to the production of outputs (i.e., nonproduction costs). In addition, the nonproduction costs listed below shall be reported separately from other nonproduction costs, if incurred:

The cost of acquiring, constructing, improving, reconstructing, or renovating heritage assets.
The acquisition cost of acquiring stewardship land.

Agencies should consider differentiating other significant costs if by doing so, the usefulness of the statements would be improved either because the amount of a particular cost is large or because of its special nature. For example, in the USDA consolidated financial statements, grants and transfer payments shall be differentiated from administrative and other program costs.

USDA shall present nonproduction costs in a separate section of the statement from production costs of programs that result from normal business operations. This presentation provides for matching program earned revenues with normal operational costs, undistorted by nonproduction costs. As such, USDA's statement and supporting footnote schedules have a subtotal "Total Program Production Costs" and a subtotal "Excess Production Costs Over Revenues" which is the result of netting earned revenues with total program production costs.

14.5.2 Earned Revenues

These revenues are exchange revenues, which arise when a Federal entity provides goods, services, and things of value to non-federal persons or entities or to another Federal government entity for a charge. The full amount of exchange revenues is to be reported on the Statement of Net Cost or supplementary schedule, regardless of whether the entity is permitted to retain the revenues in whole or in part. Any portion of the entity's exchange revenue which cannot be retained by the entity is reported as a transfer-out on the Statement of Changes in Net Position. See chapter 12 for more information on exchange revenues.

Earned revenue should be deducted from the production cost of program outputs or outcomes to determine their net cost unless it is not practical or reasonably possible to do so. If that cannot be done, earned revenue should be deducted from the costs of suborganizations to determine the suborganization's net cost of operations. There are no precise guidelines to determine the degree to which earned revenue can reasonably be attributed to outputs, outcomes, programs, or suborganizations. The attribution of earned revenues requires the exercise of managerial judgment. In exercising this judgment, it is important to provide readers of the Statement of Net Cost with the ability to ascertain whether exchange revenues are sufficient to cover the costs incurred to produce the goods or services involved.

14.5.3 Net Program Costs

This is the difference between a program's gross costs and its related exchange revenues. If a program does not earn any exchange revenue, there is no netting and the term used might be "Total Program Costs."

14.5.4 Costs Not Assigned to Programs

A reporting entity and its suborganizations may incur (a) high level general management and administrative support costs that cannot be directly traced, assigned on a cause-and-effect basis, or reasonably allocated to segments and their outputs and (b) nonproduction costs that cannot be assigned to a particular program. These costs are part of the entity and suborganization costs and should be reported on the Statement of Net Cost as "Costs Not Assigned to Programs."

14.5.5 Earned Revenues Not Attributed to Programs

Earned revenue that is insignificant or cannot be attributed to particular outputs or programs should be reported separately as a deduction in arriving at net cost of operations of the suborganization or reporting entity as a whole.

14.5.6 Net Cost of Operations

This is the gross cost incurred by the reporting entity less any exchange revenue earned from its activities. This amount represents the net cost of a suborganization or entity that is funded by sources other than exchange revenues. The financing sources for net cost of operations are reported on the Statement of Changes in Net Position.

Preparers are encouraged to consult the non-authoritative Implementation Guide to SFFAS Number. 7, Accounting for Revenue and Other Financing Sources, which the Financial Accounting Standards Advisory Board (FASAB) issued in conjunction with SFFAS Number 7, for illustrations and explanations designed to assist in understanding and applying the standards for classifying, recognizing, and measuring inflows of resources to the Federal government and its component reporting entities. It should be noted that OMB's Circular 97-01 "Form and Content of Agency Financial Statements" dated January 7, 2000; and the SFFAS Number 7 Implementation Guide refer to "Intragovernmental" program costs and "Public" program costs as being differentiated based upon the goods and services of a program being provided to other Federal entities or to non-federal parties respectively (i.e., who the customers or beneficiaries are). OMB has acknowledged that systems limitations exist, and that at this time agencies may distinguish intragovernmental or Federal and public or non-federal costs based upon whom the program inputs were acquired from (i.e., who the vendors are). It is the latter differentiation, based upon "G" and "N" attributes in the general ledger and subsidiary systems, that USDA is using in its Consolidating Statement of Net Cost and the related supplemental schedules.

U.S. DEPARTMENT OF AGRICULTURE

Reporting Entity

CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION

For the years ended September 30, 2000

(in millions)

2000

1. Net Cost of Operations (Note 16)	\$ xxx
2. Financing Sources (other than exchange revenues):	
a. Appropriations Used	xxx
b. Taxes (and other non-exchange revenues)	xxx
c. Donations (non-exchange revenue)	xxx
d. Imputed financing	xxx
e. Transfers-in	xxx
f. Transfers-out	(xxx)
g. Other Financing Sources	<u>xxx</u>
3. Net Results of Operations	xxx
4. Net Results Not Affecting Net Position	xxx
5. Prior Period Adjustments (Note 19)	<u>xxx</u>
6. Net Change in Cumulative Results of Operations	xxx
7. Increase (Decrease) in Unexpended Appropriations	<u>xxx</u>
8. Change in Net Position	xxx
9. Net Position-Beginning of Period	<u>xxx</u>
10. Net Position-End of Period (Note 19)	<u>xxx</u>

The accompanying notes are an integral part of these statements

14.6 INSTRUCTIONS FOR THE STATEMENT OF CHANGES IN NET POSITION

The Statement of Changes in Net Position reports the beginning net position, the items which caused net position to change during the reporting period, and the ending net position. The entity should display information on the Statement of Changes in Net Position organized by responsibility segment, component, or otherwise in the same manner as was done for the Statement of Net Cost.

1. Net Cost of Operations. This is the net cost of operations reported on the Statement of Net Cost.
2. Financing Sources.
 - a. Appropriations Used. Appropriations are considered used as a financing source when goods and services are received, or benefits are provided, under authority of the appropriations. This is true whether the goods, services, and benefits are paid prior to the reporting date or are payable as of that date, and whether the appropriations are used for items which are recorded as expenses or are capitalized. In order to avoid double counting, appropriations used do not include dedicated tax receipts and donations because these sources are reported as non-exchange revenues. In addition, appropriations used by collecting entities to provide refunds of monies deposited to Treasury or the trust funds or to repay debt are also excluded because they do not provide budgetary authority.

- b. Taxes and Other Non-exchange Revenues. Revenues the Federal Government is able to demand or receive due to its sovereign powers. See Chapter 12 for a discussion of the recognition and measurement criteria for taxes and other non-exchange revenues.
- c. Donations. Voluntary gifts of resources to the Federal Government by non-Federal entities. Donations may be financial resources, such as cash or securities, or non-financial resources such as land or buildings. The amount of revenue arising from donations of non-financial resources shall be recognized in accordance with criteria in Chapter 9 and should be valued at estimated fair value at the time of the contribution.
- d. Imputed Financing. Imputed financing equals the amount of imputed costs included in amounts reported on the Statement of Net Cost.
- e. Transfers-in. An Federal transfer of cash or capitalized assets without reimbursement shall be recognized by the receiving entity as a transfer-in. The amount recognized shall be the transferring entity's book value. If book value is not known, the amount recognized should be the asset's estimated fair value at the date of the transfer.
- f. Transfers-out. A Federal transfer of cash or capitalized assets without reimbursement shall be recognized by the transferring entity as a transfer-out. The amount recognized should be the transferring entity's book value. If book value is not known, then the amount recognized should be the asset's estimated fair value at the date of the transfer. To the extent that exchange revenue included in calculating an entity's net cost of operations is required to be transferred to the Treasury or another Federal entity, the amount transferred shall be recognized as a transfer-out.
- g. Other. Include other financing sources not otherwise classified above.
3. Net Results of Operations. The sum of lines 2.a. through 2.i., less line 1.
4. Net Results Not Affecting Net Position. For credit reform agencies only. This amount represents the net loss/gain in the credit reform liquidating funds which is reflected in net cost of operations, but which is closed to the liability account Resources Payable to Treasury rather than to Cumulative Results. Therefore, the impact on net cost must be offset in calculating ending net position.
5. Prior Period Adjustments. Prior period adjustments are limited to corrections of errors and accounting changes with retroactive effect that can either increase or decrease net position depending on their nature, including those occasioned by the adoption of new Federal financial accounting standards. Adjustments are included in the calculation of the net change in cumulative results of operations, rather than as an element of net results of operations for the period. Prior period financial statements should not be restated for prior period adjustments.
6. Net Change in Cumulative Results of Operations. The sum of lines 3, 4, and 5.

7. Increase (Decrease) in Unexpended Appropriations. The change from the beginning of the period in the amount of appropriations that have been made available but have not been used.
8. Change in Net Position. The sum of Lines 6 and 7.
9. Net Position-Beginning of Period. The amount is the net position reported on the prior year's balance sheet.
10. Net Position - End of Period. The sum of Lines 8 and 9. This amount shall agree with the amount reported as net position on the current year's balance sheet.

U.S. DEPARTMENT OF AGRICULTURE	
Reporting Entity	
COMBINED STATEMENT OF BUDGETARY RESOURCES	
For the years ended September 30, 2000	
(in millions)	
	<u>2000</u>
1. Budgetary Resources:	
a. Budget authority (Line 1)	\$ xxx
b. Unobligated Balances - Beginning of Period (Line 2)	xxx
c. Spending Authority from Offsetting Collections (Line 3)	xxx
d. Adjustments (Lines 4-6)	<u>xxx</u>
e. Total Budgetary Resources (Line 7)	<u>xxx</u>
2. Status of Budgetary Resources:	
a. Obligations Incurred (Line 8)	xxx
b. Unobligated Balances - Available (Line 9)	xxx
c. Unobligated Balances - Not Available (Line 10)	<u>xxx</u>
d. Total, Status of Budgetary Resources (Line 11)	<u>xxx</u>
3. Outlays:	
a. Obligations Incurred (Line 8)	xxx
b. Less: Actual Spending Authority from Offsetting Collections and Actual Adjustments (Lines 3A, B, D, & 4A)	(xxx)
c. Obligated Balance, Net - Beginning of Period (Line 12)	xxx
d. Obligated Balance Transferred, Net (Line 13)	xxx
e. Less: Obligated Balance, Net - End of Period (Line 14)	(xxx)
f. Total Outlays (Line 15)	<u>\$ xxx</u>
* Line numbers refer to lines on the SF 133, Report on Budget Execution.	

The accompanying notes are an integral part of these statements.

14.7 INSTRUCTIONS FOR THE STATEMENT OF BUDGETARY RESOURCES

The Statement of Budgetary Resources and the related disclosures provide information about how budgetary resources were made available as well as their status at the end of the period. This statement should be prepared by USDA reporting entities whose financing comes wholly or partially from budgetary resources.

¹ The Statement of Budgetary Resources should be aggregated to reflect all the activity of the reporting entity for the year covered by the financial statement. Prior year information should be presented to allow the reader to make appropriate comparisons with prior periods.

Monitoring of budget execution is at the individual account level, and therefore for FY 2000 USDA is preparing a combined rather than consolidated statement of budgetary resources.

² Budgetary information aggregated for the Statement of Budgetary Resources should be disaggregated for each of the reporting entity's major budget accounts and presented as supplementary information. Small budget accounts may be aggregated. The USDA Combined Statement of Budgetary Resources will show disaggregated budgetary information by mission area. For FY 2000, mission areas include FFAS, FNCS, FS, MRP, NRE, REE, RD, and Other Departmental Offices. USDA reporting entities should disaggregate budgetary information by major budgetary accounts as prescribed in the Required Supplementary Information instructions.

Recognition and measurement of budgetary information reported on this statement should be based on budget terminology, definitions, and guidance in OMB Circular A-34, "Instructions on Budget Execution," dated November 7, 1997. That Circular defines the terms shown in this statement. The statement illustrates in condensed form the information that Circular A-34 requires to be reported on the Report on Budget Execution (SF 133). For purposes of illustration only, the statement shown in this bulletin includes the corresponding line numbers from the SF 133. If OMB's concepts and definitions are revised in the future, the classification and recognition of the appropriate amounts will change accordingly.

1. Budgetary Resources. This section of the statement is designed to present the total budgetary resources available to the reporting entity. These include new budget authority, obligation limitations, direct spending authority, unobligated balances at the beginning of the period or transferred in during the period, spending authority from offsetting collections, and any adjustments to budgetary resources.
 - a. Budget authority (line 1, SF133). Include appropriations, borrowing authority, contract authority, net transfers, current year authority realized, and other as defined in OMB Circular No. A-34, Instructions on Budget Execution.

USDA's reporting entities other than corporations are determined for each fiscal year by mutual agreement between the designated reporting entities, the Office of the Chief Financial Officer, and OMB, and are published in the OMB bulletin *Audit Requirements for Federal Financial Statements*. The reporting entities include all of the Department's corporations and usually include those mission areas and agencies that prepare independently audited stand-alone financial statements. For FY 2000, USDA's reporting entities include the Commodity Credit Corporation, Federal Crop Insurance Corporation; Food and Nutrition Service; Forest Service; Rural Development mission area; Rural Telephone Bank; and the U.S. Department of Agriculture as a whole.

Individual Account level is established by Treasury and is identified by a code that consists of seven or more alphanumeric characters for expenditures and six for receipts.

b. Unobligated balances - beginning-of period (line 2, SF133). Include the unobligated balance brought forward, October 1, net transfers prior year balance, actual, and anticipated transfers prior year balance. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.

c. Spending authority from offsetting collections (line 3, SF133). Include amounts: earned as collected and receivable from Federal sources; change in unfilled customer orders with advance received and without advance from Federal sources; anticipated for rest of year as advance for anticipated orders and without advance; and transfers from trust funds as collected and anticipated. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.

d. Adjustments (lines 4-6, SF 133). Include: recoveries of prior year obligations actual and anticipated; temporarily not available for obligation; and permanently not available as cancellations of expired and no-year accounts, enacted rescissions of prior year balances, capital transfers and redemption of debt, other authority withdrawn, pursuant to public law, and anticipated rest of year. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.

e. Total budgetary resources (line 7, SF 133). Enter the sum of lines 1.a. through 1.d.

2. Status of Budgetary Resources. This section of the statement is designed to display information about the status of budgetary resources at the end of the period. It consists of the obligations incurred, the unobligated balances at the end of the period that remain available, and unobligated balances at the end of the period that are unavailable except to adjust or liquidate obligations chargeable to prior period appropriations. The total amount displayed for the status of budgetary resources shall equal the total budgetary resources available to the reporting entity as of the reporting date.

a. Obligations incurred (line 8, SF 133). Include obligations incurred as; category A, direct obligations; Category B, direct obligations; not subject to apportionment; and reimbursable obligations. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.

b. Unobligated balances-available (line 9, SF 133). Include unobligated balance as: apportioned balance currently available and anticipated; exempt from apportionment; and other available. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.

c. Unobligated balances-not available (line 10, SF 133). Include the unobligated balance not available as apportioned for subsequent periods, deferred, withheld pending rescission, and other. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.

d. Total, status of budgetary resources (line 11, SF 133). Enter the sum of lines 2.a. through 2.c.

3. Outlays. This section of the statement displays total outlays and reconciles obligations incurred to total outlays by displaying spending authority from offsetting collections, obligated balances at the beginning of the period, obligated balances transferred, and obligated balances at the end of the period.
- a. Obligations incurred (line 8, SF 133). Include obligations incurred as; category A, direct obligations; Category B, direct obligations; not subject to apportionment; and reimbursable obligations. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.
- b. Less: spending authority from offsetting collections and adjustments (lines 3A, B, D, & 4A, SF 133). Include: amounts earned as collected and receivable from Federal sources; change in unfilled customer orders with advance received and without advance from Federal sources; transfers from trust funds as collected and anticipated; and recoveries of prior year obligations actual and anticipated. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.
- c. Obligated balance, net - beginning of period (line 12, SF 133). Include the obligated balance, net as of October 1. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.
- d. Obligated balance transferred, net (line 13, SF 133). Include obligated balance transferred, net. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.
- e. Less: obligated balance, net - end of period (line 14, SF 133). Include obligated balance, net, end of period as: accounts receivable; unfilled customer orders from Federal sources without advance; undelivered orders; and accounts payable. See OMB Circular No. A-34, Instructions on Budget Execution for further instructions.
- f. Total outlays (line 15, SF 133). Enter the sum of lines 3.a. through 3.e.

**U.S. DEPARTMENT OF AGRICULTURE
COMBINED STATEMENT OF FINANCING**

 For the years ended September 30, 2000
(in millions)
2000

1.	Resources Used to Finance Operations	
a.	Budgetary	
	(1) Budgetary Resources Obligated for Items to Be Received or Provided to Others	xxx
	(2) Less: Offsetting Collections, Recoveries of Prior-year Authority, and Changes in Unfilled Customer Orders	xxx
	(3) Net Budgetary Resources Used to Finance Operations	xxx
b.	Non-budgetary	
	(1) Property Received from Others Without Reimbursement	xxx
	(2) Less: Property Given to Others Without Reimbursement	xxx
	(3) Costs Incurred by Others Without Reimbursements	xxx
	(4) Other Non-budgetary Resources (Note 21)	xxx
	(5) Net Non-budgetary Resources Used to Finance Operations	xxx
c.	Total Resources Used to Finance Operations	xxx
2.	Resources Used to Fund Items Not Part of the Net Cost of Operations	
a.	Increase or (Decrease) in Budgetary Resources Obligated to Order Goods or Services Not Yet Received	xxx
b.	Budgetary Offsetting Collections Not Increasing Exchange Revenue or Decreasing Expense	xxx
c.	Less: Adjustments Made to Compute Net Budgetary Resources Not Affecting Net Cost of Operations	xxx
d.	Resources Funding Expenses Recognized in Prior Periods	xxx
e.	Resources Financing the Acquisition of Assets or Liquidation of Liabilities	xxx
f.	Other Resources Used to Fund Items Not Part of the Net Cost of Operations (Note 21)	xxx
g.	Total Resources Used to Fund Items Not Part of the Net Cost of Operations	xxx
3.	Resources Used to Finance the Net Cost of Operations	xxx
4.	Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period	xxx
a.	Expenses or Exchange Revenue Related to the Disposition of Assets or Liabilities, or Allocation of Their Cost over Time	xxx
b.	Expenses Which Will Be Financed with Budgetary Resources Recognized in Future Periods	xxx
c.	Other Net Cost Components Not Requiring or Generating Resources During the Reporting Period (Note 21)	
d.	Total Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period	xxx
5.	NET COST OF OPERATIONS	<u>xxx</u>

14.7.1 Statement of Financing Line Item Detail

The examples presented here may be potential reconciling items for the Statement of Financing. The detail provided below is not intended to be all-inclusive nor should it limit the type of reconciling items an agency may include in the Statement. Agencies should report all reconciling items in the format prescribed.

1. Resources used to finance operations:**a. Budgetary (All information for this section is available from the Statement of Budgetary Resources.)**

(a) Budgetary Resources Obligated for Items to Be Received or Provided to Others

(b) Less Adjustments:

(a) Offsetting Collections

(1) Credit Reform Collections

(2) Reimbursable Activities

(3) Fees and Charges

(4) Other

(b) Recoveries of Prior-year Authority

(c) Changes in Unfilled Customer Orders

(d) Total Adjustments

(c) Net Budgetary Resources Used to Finance Operations (calculation line a.(1) less line a.(2)(d))**b. Non-budgetary (All information for this section is available from the Statement of Changes in Net Position.)**

(1) Property Received from Others Without Reimbursement

(a) Donations, Seizures or Transfers of:

(1) Plant, Property and Equipment

(2) Land and Land Improvements

(3) Inventory

(4) Other

(2) Less: Property Given to Others Without Reimbursement

(a) Transfers or Donations of:

(1) Plant, Property and Equipment

(2) Land and Land Improvements

(3) Inventory

(b) Other

(3) Costs Incurred by Others Without Reimbursements

(a) Retirement Costs

(b) Other Post-employment Benefits

(c) Losses in Litigation Proceedings

(d) Departmental or Mission Area Allocated Costs

(e) Other

(4) Other Non-budgetary Resources (Note 21)

(5) Net Non-budgetary Resources Used to Finance Operations

c. Total Resources Used to Finance Operations**2. Resources Used to Fund Items Not Part of the Net Cost of Operations:****a. Increase (Or Decrease) in Budgetary Resources Obligated to Order Goods or Services Not Yet Received**

(1) Undelivered Orders

b. Budgetary Offsetting Collections Not Increasing Exchange Revenue or Decreasing Expense

(1) Decrease or (Increase) in Revenue Collected in Advance

(2) Collections That Decrease Assets Unrelated to Exchange Revenue

- (a) Collection of Employee Indebtedness
 - (b) Collection of Principal on Direct Loans
 - (c) Collection of Principal on Guarantee Loans Assumed for Direct Collection
 - (d) Other
 - (3) Credit Program Collections That Increase Liabilities for Loan Guarantees or Allowance for Subsidy
 - (4) Other Collections
 - c. Less: Adjustments Made to Compute Net Budgetary Resources Not Affecting Net Cost of Operations
 - (1) Recoveries of Prior-year Authority (should equal amount reported on line 1.a.(2)(b))
 - (2) Decrease or (Increase) in Unfilled Customer Orders (should equal amount reported on line 1.a.(2)(c))
 - (3) Other Adjustments and Obligations Not Affecting the Net Cost of Operations
 - d. Resources Funding Expenses Recognized in Prior Periods
 - (1) Subsidy Paid to Receipt Accounts - Reestimates
 - (2) FECA Payment to Labor
 - (3) Decrease in Annual Leave Liability (Leave Taken exceeds Leave Earned)
 - (4) Other
 - e. Resources Financing the Acquisition of Assets or Liquidation of Liabilities
 - (1) Purchases of:
 - (a) Plant, Property and Equipment
 - (b) Land and Land Improvements
 - (c) Capital Leases and Leasehold Improvements
 - (d) Other
 - (2) Credit Program Collections That Decrease Liabilities for Loan Guarantees or Allowance for Subsidy
 - (3) Other
 - f. Other Resources Used to Fund Items Not Part of the Net Cost of Operations (Note 21)
 - g. **Total Resources Used to Fund Items Not Part of the Net Cost of Operations**
3. **RESOURCES USED TO FINANCE THE NET COST OF OPERATIONS**
4. **Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period.**
- a. Expenses or Exchange Revenue Related to the Disposition of Assets or Liabilities, or Allocation of Their Cost over Time
 - (1) Expenses Relating to the Use of Assets
 - (a) Depreciation, Amortization, and Depletion of Assets
 - (b) Supplies Used
 - (c) Cost of Goods Sold
 - (2) Losses or (Gains) from Revaluation of Assets or Liabilities:
 - (a) Plant, Property and Equipment
 - (b) Land and Land Improvements
 - (c) Inventory
 - (d) Other
 - (3) Decreases or (Increases) in Exchange Revenue Receivables from the Public
 - (a) Loan Interest Receivable
 - (b) Accounts Receivable - non-federal

- (c) Other
 - (4) Interest Amortization of Credit Program Allowance for Subsidy
 - (5) Credit Reform Subsidy Reestimates
 - (a) Credit Reform Negative Subsidy Reestimates
 - (b) Credit Reform Downward Subsidy Reestimates
 - (6) Other
 - b. Expenses Which Will Be Financed with Budgetary Resources Recognized in Future Periods
 - (1) Increase in Annual Leave Liability (Leave Earned exceeds Leave Taken)
 - (2) Credit Program
 - (a) Credit Reform Upward Subsidy Re-estimates
 - (b) Other
 - (3) Prior Year Adjustments
 - (4) Other
 - c. Other Net Cost Components Not Requiring or Generating Resources During the Reporting Period (Note 21)
 - d. **Total Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period**
5. NET COST OF OPERATIONS

14.7.2 General Information for the Statement of Financing

The Statement of Financing (SOF) reconciles the differences between budgetary accounting on the Statement of Budgetary Resources and proprietary accounting on the Statement of Net Cost of Operations. Specifically, the SOF provides information on the total resources used by an agency—both those received through the budget and those received through other means—during the reporting period. The SOF explains how the resources were used in agency operations to finance orders for goods and services not yet delivered, to acquire assets and liabilities, and to fund the entity's net cost of operations. Also, the SOF demonstrates that an agency's financial management systems can generate 1) budgetary data on resources and status of resources, and 2) proprietary data on assets, liabilities, and net position.

Stand alone financial statement preparers have flexibility as to the level of detail presented for the SOF. The information should be presented for the reporting entity as a whole and, if the preparer elects, for the major suborganizations or responsibility segments or for the major budget accounts. For FY 2000 the Department will prepare the SOF on a combined basis (no budgetary account eliminations), reconciling to consolidated net cost of operations. The combined SOF for the Department will be prepared based on the format above.

Additional non-authoritative guidance for the SOF above is in the Implementation Guide, chapter 5, issued in conjunction with SFFAS No. 7, *Accounting for Revenue and Other Financing Sources*; and FASAB News, Special Edition dated August 1, 1998, revised March 1999.

14.8 INSTRUCTIONS FOR THE STATEMENT OF FINANCING

1. Resources Used to Finance Operations. This section lists the resources, both budgetary and non-budgetary, that were used by the reporting entity. This includes appropriations, borrowing authority from Treasury or other federal financing entities, contract authority, reimbursements for goods and services provided for a fee, and other collections. The entire section on budgetary resources is taken from information provided in the Statement of Budgetary Resources, and no new information or calculations are required to present this information.

- a. Budgetary. This sub-section lists the budgetary resources which were used by the reporting entity to finance operations.

(1) Budgetary Resources Obligated for Items to Be Received or Provided to Others. The gross amount of budgetary resources used (i.e., obligations incurred) to finance activities of the reporting entity. Obligations incurred is a budgetary term, meaning goods and services to be received, or benefits to be provided, have been either (1) ordered by a reporting entity, but not yet received by the entity or provided by the entity to others, or (2) received or provided. (Benefits provided, as used here, constitute goods, services, or money provided to the public or other federal agencies through entitlement, discretionary, or reimbursable programs.) To the extent budgetary resources have been “obligated” for these purposes, they have been “used” to finance agency activities. The amount of budgetary resources obligated for items to be received or provided to others on line 1.a.(1) of the Statement of Financing must equal the amount reported for obligations incurred on line 2.a. of the Statement of Budgetary Resources and line 8 of the SF 133.

- (2) Less Adjustments:

Offsetting Collections. Collections from the public and federal agencies for various activities in which the reporting entity engages. These activities include providing goods or services for a fee to another federal entity or the public, repayments of principal and related interest from the public, and so on. These collections are defined in the OMB Circular No. A-34, Instructions on Budget Execution, dated October 19, 1999.

Recoveries of Prior-year Authority. Cancellations or downward adjustments of obligations incurred in prior fiscal years that were not expended. During the year, agencies obligate resources to order goods and services, or benefits to be provided, in one year but do not receive the goods and services, or provide the benefits, until a subsequent year. In some cases, the actual amount of bills for the goods and services in a year turns out to be less than the amount of the obligations placed based on estimates when ordered in a preceding year (i.e., downward adjustment). In other cases, orders placed in a preceding year are canceled before goods and services are received in the current year (i.e., cancellation). In these cases, the prior-year authority is considered to be recovered.

Changes in Unfilled Customer Orders. The change in the balance from the beginning to the end of the reporting period in unfilled customer orders from federal and non-federal entities or people. Orders for these services are considered to be budgetary resources at the time of the order (orders from the public must be accompanied by an advance to be considered a budgetary resource).

(3) Net Budgetary Resources Used to Finance Operations. The difference between budgetary resources obligated for items to be received or provided to others and offsetting collections, recoveries of prior-year authority, and changes in unfilled customer orders (line 1a.(1) less line 1a.(2)). This must equal the sum of the amounts of net obligations and adjustments reported on the Statement of Budgetary Resources lines 3a and 3b in the calculation of net outlays.

b. Non-budgetary. Agencies will generally have some resources financing their activities that were not provided through the budget process. These resources are reported on the Statement of Changes in Net Position, section 2, as well as the Statement of Financing.

(1) Property Received from Others Without Reimbursement. Non-cash items of property that are donated or forfeited by the public, or transferred in from other federal entities without charge to the reporting entity. This would include non-cash bequests to the entity, forfeiture of non-cash assets seized from criminal activities, or equipment, inventory, or other property received free of charge from another federal entity. The non-cash items donated and transferred in without reimbursement are also reported on the Statement of Changes in Net Position, section 2, financing sources.

(2) Less: Property Given to Others Without Reimbursement. Non-cash items of property that are donated or transferred out to the public or other federal entities without reimbursement to the reporting entity. Such transfers out are subtracted, because they reduce resources available to finance agency activities.

(3) Costs Incurred by Others Without Reimbursement. Costs absorbed by other entities at no charge to the reporting entity. The absorption of the cost by the entity is an imputed financing source to the benefitting (reporting) entity. These costs are reported as imputed costs on the Statement of Net Cost and imputed financing sources on the Statement of Financing.

Examples of imputed costs and related financing sources includes retirement costs, other post-employment costs, losses in litigation proceedings, and departmental or mission area allocated costs.

In reference to retirement costs, agencies (e.g., USDA) contribute amounts specified in legislation to federal retirement funds, but the actual cost of those retirement funds is greater than the combined total of the agency contribution and employee contribution. The administering agency, the U.S. Office of Personnel Management in most cases, must obtain monies from the general fund of the Treasury to finance the full cost of retirement.

The additional share that is being obtained from the general fund is a subsidy to the agency. The agency would have had to pay this portion of the retirement cost if the general fund had not done so. This subsidy must be recognized by the agency as an imputed cost on the Statement of Net Cost and as an imputed financing source on the Statement of Financing. The agency contribution is not reported in this line as it is not an imputed cost but an actual cost, and the employee contribution is not reported on this line as it is not a cost to the agency.

(4) Other non-budgetary resources. Items not reported elsewhere.

(5) Net non-budgetary resources used to finance activities. The sum of the section (property received from others without reimbursement, lines 1.b.(1) through other non-budgetary resources used to finance operations, line 1.b.(4)). These transactions should be reported as financing sources on the Statement of Changes in Net Position.

c. Total Resources Used to Finance Operations. The sum of net budgetary resources used to finance operations, lines 1.a.(3) and net non-budgetary resources used to finance operations, line 1.b.(5).

2. Resources Used to Fund Items Not Part of the Net Cost of Operations. This section lists resources used to fund orders for goods and services not yet delivered, to acquire assets or that result in liabilities for the reporting entity, and to compensate for adjustments in the computation of net resources which do not affect net cost of operations. These items do not fund expenses or generate exchange revenue during the reporting period.

Some obligations or non-budgetary financing sources do not result in expenses on the Statement of Net Cost for the period in which the obligation was made or the non-budgetary resource recognized. Resources that do not fund net costs of operations commonly arise from three sources: 1) the change in goods, services, and benefits ordered but not yet received or provided; 2) any good or service capitalized on the Balance Sheet; and 3) any item that was treated in a prior period as a financing source yet to be provided and that is being recognized as a budgetary resource in the current period. Because these items are included in obligations, as adjusted, and non-budgetary financing sources, but not in the net cost of operations, they should be subtracted in the reconciliation.

a. Increase or (Decrease) in Budgetary Resources Obligated to Order Goods and Services Not Yet Received. This line represents undelivered orders. Sometimes goods and services are ordered but have not been received as of the end of the reporting period. These items (undelivered orders) are included in budgetary resources obligated for items to be received or provided to others line 1.a.(1). However, there has been no recognition of an expense or an asset, because nothing has been received. The mere ordering of something does not trigger the recording of an asset or an expense.

Rather, some good or service must have actually been received or provided to trigger recording of an asset or an expense. This line is used to record the adjustment required to properly relate obligated resources on line 1.a.(1) with the net cost of operations.

b. Budgetary Offsetting Collections Which Do Not Increase Exchange Revenue or Decrease Expenses. Some collections that are part of line 1.a.(2) of the Statement of Financing that do not affect the net cost of operations. This is because they do not result in exchange revenue being recognized or expenses being reduced.

Decrease or (Increase) in Revenue Collected in Advance. In some cases, monies are collected for services to be performed in the future. When this occurs, obligated resources are decreased by the offsetting collections on line 1.a.(2), but no exchange revenue is recognized on the proprietary side because no service has been performed. Thus, the collection does not affect net cost of operations.

To avoid double-counting the change in revenue collected in advance and the change in unfilled customer orders with advance, report these items on different lines. Report the change in revenue collected in advance that is not recognized on the budgetary side as an unfilled customer order on line 2.b., budgetary offsetting collections which do not increase exchange revenue or decrease expenses. Report the change in unfilled customer orders with advance and without advance both on line 2.c., less: adjustments made to compute net budgetary resources not affecting net cost of operations.

Collections That Decrease Assets Unrelated to Exchange Revenue. The collection of receivables that did not relate to exchange revenue when the receivable was established. This would include employee indebtedness, and principal on direct loans and assumed loan guarantees collections.

Credit Program Collections That Increase Liabilities for Loan Guarantees or Allowances for Subsidy. This line refers only to collections of fees and other collections for credit program direct loans and loan guarantees obligated on or after October 1, 1991, when the Credit Reform Act of 1990 (P.L. 101-508) went into effect. SFFAS No. 2, *Accounting for Direct Loans and Loan Guarantees*, provides accounting standards to implement the law in which collections of certain fees and other items which prior to October 1, 1991, had been recorded as exchange revenues for direct loans and loan guarantees obligated, after that time are recorded as increases to related loan guarantee liabilities (for loan guarantees) or to the allowance for subsidy (for direct loans and guaranteed loans assumed for direct collection).

To the extent that these collections result in increases to either the liability for the loan guarantees or the allowance for subsidy, the collections do not affect the net cost of operations and should be included on this line.

Other Collections. Items not reported elsewhere.

c. Less: Adjustments Made to Compute Net Budgetary Resources Not Affecting Net Cost of Operations. This line represents the amount of recoveries of prior-year authority and changes in unfilled customer orders, and the amount of obligations not affecting the net costs of operations reported on line 1.a.(2), less: offsetting collections, recoveries or prior-year authority, and changes in unfilled customer orders. It is necessary to “cancel” the effects of those adjustments in order to provide a proper relationship of total resources to net cost of operations.

As mentioned earlier, to avoid double-counting the change in unfilled customer orders with advance and the change in revenue collected in advance report the change in both unfilled customer orders with advance and without advance on line 2.c., Less: adjustments made to compute net budgetary resources not affect net cost of operations. Report the change in revenue collected in advance that is not recognized in budgetary accounting as an unfilled customer order on line 2.b., budgetary offsetting collections which do not increase exchange revenue or decrease expenses.

d. Resources Funding Expenses Recognized in Prior Periods. The amount of resources funding expenses that were recognized in previous years, but the resources were provided in the current year. This would include subsidy paid to special receipt accounts, FECA payments to the Department of Labor, and the amount that leave taken exceed leave earned during reporting period (decreases in annual leave liability). The recognition of these expenses is provided in the third section of the Statement of Financing.

e. Resources Financing the Acquisition of Assets or Liquidation of Liabilities. The acquisition value of plant, property, equipment, land, land improvements, capital lease and leasehold improvements purchased during the fiscal year, the obligations of resources that decrease loan guarantee liabilities or allowances for subsidy not affecting the net cost of operations, and guarantee fees and expenses paid to banks for loan guarantees.

When agencies acquire assets, either budgetary or non-budgetary resources are used. Budgetary resources may be obligated for the acquisition of equipment, or a transfer-in of the equipment from another federal entity without reimbursement or a donation from the public might be the financing source. Although resources are used, there is no effect on the net cost of operations, because the acquisition of property does not result in an expense (with the exception of stewardship assets) or exchange revenue.

In addition, the opposite situation described for line 2.b., budgetary offsetting collections not increasing exchange revenue or decreasing expense, could occur. As explained for that line, certain credit program collections which increase loan guarantee liabilities or allowances for subsidy do not affect the net cost of operations and are a reconciliation factor on line 2.b., budgetary offsetting collections not increasing exchange revenue or decreasing expense. Similarly, certain obligations of resources may be made that decrease loan guarantee liabilities or allowances for subsidy and do not affect net cost of operations. These are reconciliation factors on this line.

f. Other Resources Used to Fund Items Not Part of the Net Cost of Operations. Items not reported elsewhere.

g. Total Resources Used to Fund Items Not Part of the Net Cost of Operations. The sum of the section (lines 2.a., increases or (decreases) in budgetary resources obligated to order goods or services, through line 2.f., other resources used to fund items not part of the net cost of operations.)

3. Resources Used to Finance the Net Cost of Operations. The difference between the total budgetary and nonbudgetary resources on line 1.c. and the resources which do not fund the net cost of operations on line 2.g. - in other words, the resources which do fund the net cost of operations.

By subtracting the second section from the first, one obtains the resources used to fund net cost of operations. This does not equal the net cost of operations because of the items in the third section, the components of net cost of operations that did not use or generate resources during the reporting period. When the items in the third section are added to the difference between the first two sections, the result is the net cost of operations.

4. Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period. This section sets forth (a) expenses which did not use resources during the reporting period because resources were not required or because they will be required in the future and (b) exchange revenue which did not result in the recognition of either budgetary or non-budgetary resources.

a. Expenses or Exchange Revenue Related to the Disposition of Assets or Liabilities, or Allocation of Their Costs Over Time. Transactions that result in expenses which do not require resources (e.g., depreciation, amortization, and depletion expense, and revaluation gains and losses) and exchange revenues which decrease the net cost of operations, but which do not generate resources (e.g., loan interest receivable, negative and downward subsidy reestimates). Because these expenses are included in the net cost of operations but do not use resources to finance net cost of operations, they must be added to the resources used to finance net cost of operations to explain the difference. Similarly, since the exchange revenue decreased the net cost of operations but was not included in the computation for resources that finance the net cost of operations, they must be subtracted from resources which finance the net cost of operations to explain the difference.

Expenses Related to the Use of Assets. This line is used to report expenses related to assets consumed in the course of operations. Common expenses of this type are depreciation, supplies used, and cost of goods sold. When assets are depreciated, depreciation expense is recognized, and net cost of operations is increased by this amount. However, there are neither budgetary or non-budgetary resources required to finance depreciation. Rather, the resources financed the acquisition of assets either in the current or a prior period.

Losses or (Gains) from Revaluation of Assets and Liabilities. In some cases, assets and liabilities are revalued. If the revaluation decreases asset value or increases liability, a loss is recorded. If the revaluation results in increased asset value or decreased liability, a gain is recorded. Revaluation may take place for a number of reasons. Property may be lost from a flood or theft; a loan guarantee liability for loans that originated prior to October 1, 1991, the effective date for the Credit Reform Act of 1990 (P.L. 101-508), may be reassessed upward or downward; a receivable from the public may be increased or decreased as the result of a court adjudication; and so on. When these revaluations take place, a loss increases the net cost of operations, but it does not affect resources. Lost property may be replaced using resources, but the amount of the loss recorded is itself not financed by either budgetary or non-budgetary resources.

Similarly, a gain on a revaluation reduces net cost of operations but produces no resources. Assume that a pre-credit reform loan guarantee liability is reduced from \$100 to \$75 because favorable economic circumstances of borrowers have reduced defaults. In this case, rather than a gain being recorded, the expense for anticipated losses from defaults would probably be decreased, which has the same effect of reducing net cost of operations. Since no resources were generated by this revaluation, resources used to finance the net cost of operations (line 3) would be zero, and the net cost of operations would be -\$25. The difference is explained by the revaluation, which would be included as a negative amount on line 4.a., expenses or exchange revenue related to the disposition of assets or liabilities, or allocation of their cost over time. Combining the resources used to finance the net cost of operations on line 3, which is zero, with the expenses or exchange revenue related to the disposition of assets or liabilities, or allocation of their cost over time on line 4.a., which is -\$25, yields the correct net cost of operations.

Decrease or (Increase) in Exchange Revenue Receivable from the Public. OMB guidance provides that receivables from the public are not considered to be budgetary resources until collected, and for that reason, advances are generally required when the public orders goods or services from the Government. However, there are instances in which public receivables are recorded and exchange revenue is recognized even though no budgetary resources may be recognized.

(Increase) or Decrease in Nonexchange Receivable from the Public. Generally nonexchange transactions are not an issue for the Statement of Financing, because nonexchange transactions do not affect net cost of operations. However, in some instances a receivable related to a nonexchange transaction may be established, the offset of which affects expenses and therefore net cost of operations.

Interest Revenue from Amortization of Credit Program Allowance for Subsidy. When a direct loan credit program for loans made after October 1, 1991, estimates a subsidy cost (net present value of the cash inflows and outflows over the life of the loans), it recognizes a contra asset called “allowance for subsidy,” which offsets the related loans receivable. The allowance account is decreased by a number of transactions, one of which is the amount of the difference between interest charged to the borrower and

interest the government pays on its debt. Each year, the amount of that interest differential is recognized by reducing the allowance for subsidy and recording interest revenue. This process is what is meant by “amortization” in the title of the line. The interest revenue is exchange revenue, and its recognition decreases the net cost of operations. However, the amortization transaction does not generate resources. Accordingly, line 3., resources used to finance net cost of operations, would be zero.

Though far less common, it is possible that the government could charge borrowers an interest rate higher than the amount it pays on its own debt. In such cases, the amortization *decreases* interest revenue and *increases* the allowance for subsidy. The same sort of reconciliation, with signs reversed, is required, and line 4.a., expenses or exchange revenue related to the disposition of assets or liabilities, or allocation of their cost over time, would be used to present the reconciling item.

Other. Items not reported elsewhere.

b. Expenses Which Will Be Financed with Budgetary Resources Recognized in Future Periods. Expenses which require budgetary resources but for which the resources will not be received until subsequent reporting periods. (Note that SFFAS No. 7 specifically precludes the accrual of these budgetary resources before they are made available.) Because the expenses in these situations are recognized in the current year and the resources in the next or later years, a difference between resources and net cost of operations occurs and must be explained.

It should be noted that when these resources are provided in the subsequent reporting period(s), they fund expenses which were reported in the previous year, and appear on line 2.d., resources which fund expenses recognized in prior periods.

Increase in Annual Leave Liability. The amount that leave earned exceeds leave taken during the reporting period. Under accrual accounting concepts, the expense for annual leave is recognized when it is earned. However, Congress provides appropriations to pay for the leave when it is taken in a subsequent year. The accrual of leave expense increases the net cost of operations.

Credit Program Subsidy Expense from Upward Subsidy Re-estimates. Credit programs with direct loans and loan guarantees obligated after October 1, 1991, receive a subsidy based on estimates of certain associated costs. Because the actual costs and assumptions on which the estimates are made may be different than the original estimates and assumptions, more or less subsidy may be needed. When more subsidy is needed, the subsidy expense from a re-estimate is accrued in the period to which it applies; however, the budgetary resources are not received until the subsequent year. This situation is analogous to the one for annual leave expense above, and is treated similarly.

Prior Year Adjustments. The amount of prior year adjustments recorded in the current year that do not affect current year resources but impact the current year net cost of operations.

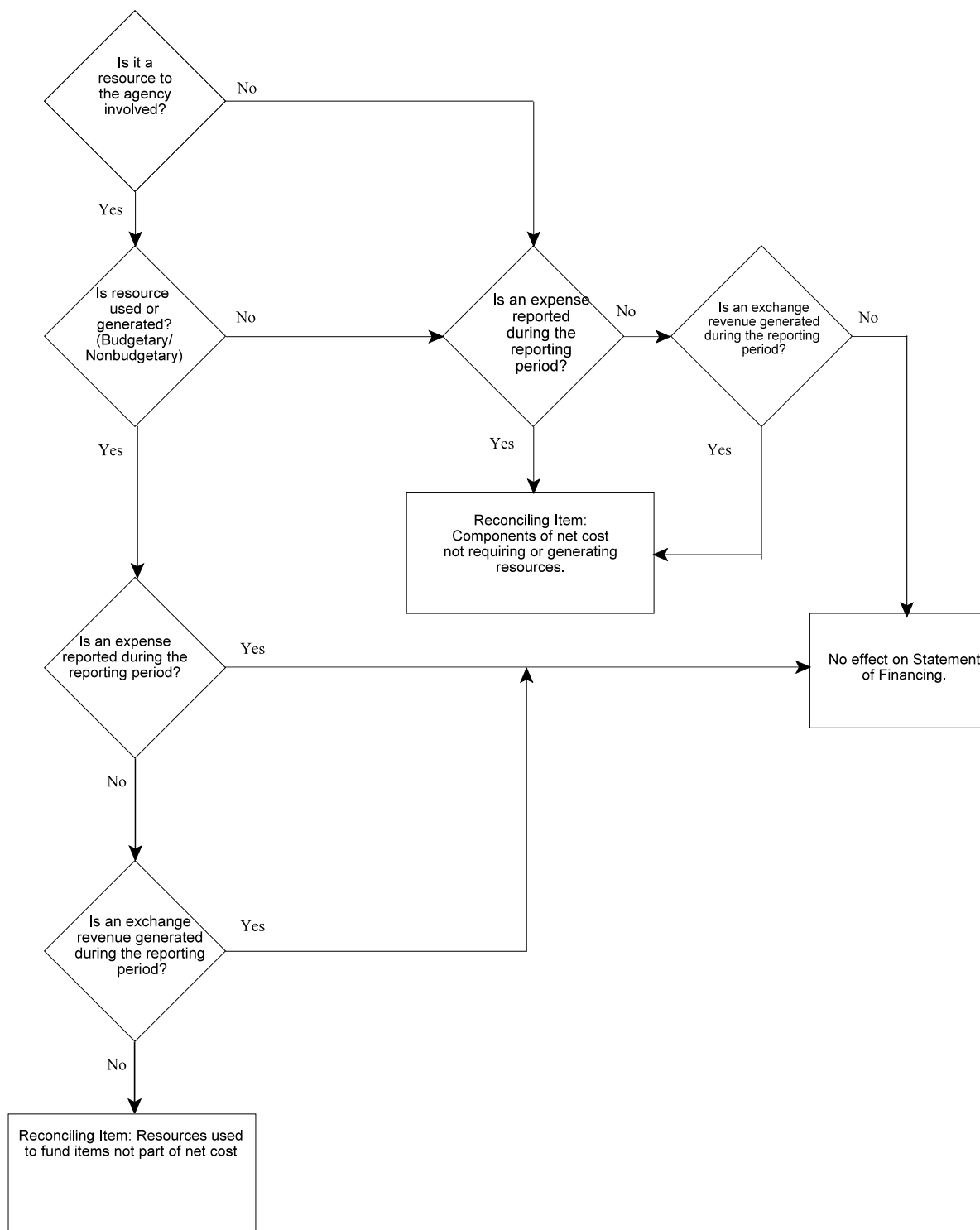
Other. Items not reported elsewhere.

c. Other Net Cost Components Which Do Not Require or Generate Resources During the Reporting Period. Items not reported elsewhere.

d. Total Components of Net Cost of Operations Which Do Not Require or Provide Resources During the Reporting Period. The sum of the section (lines 4.a., expenses or exchange revenue related to the disposition of assets or liabilities, or allocation of their cost over time, through line 4.c., other net cost components not requiring or generating resources during the reporting period).

5. Net Cost of Operations. The combination of line 3., resources used to fund net cost of operations, and line 4.d., total components of net cost of operations which do not require or provide resources during the reporting period. This amount must also equal the amount reported for net cost of operations on the Statement of Net Cost.

Determining a Reconciling Item for the Statement of Financing Flowchart and Sample Transactions



Sample Transactions

- a. Receive an appropriation.
- b. Order a computer.
- c. Order and receive consulting services.
- d. Recognize depreciation expense for equipment.
- e. Receive an advance payment from a federal customer for work to be preformed in the following fiscal year.
- f. Perform services for a non-federal customer and bill customer for services.
- g. Order and receive an airplane (capitalized asset).

Answers:

	Resource Used or Generated	Expense or Exchange Revenue	SOF Effect
a.	No	No	None
b.	Yes	No	Resource used to fund items not part of net cost
c.	Yes	Yes	None
d.	No	Yes	Components of net cost not requiring or generating resources
e.	Yes	No	Resource used to fund items not part of net cost
f.	Yes	Yes	None
g.	Yes	No	Resource used to fund items not part of net cost

14.9 FOOTNOTES

The following notes and instructions include the disclosure requirements contained in OMB Bulletin 97-01, Form and Content of Agency Financial Statements as amended and the SFFASs. The formats indicated are mandatory; agencies should include in their statements only those notes which are applicable. Notes should be numbered in the actual sequence used, not necessarily as numbered here. All footnotes shall include narrative explanation of the numbers presented in tables.

14.9.1 Note 1. Significant Accounting Policies

Describe the reporting entity and identify its major components. Summarize the accounting principles and methods of applying those principles that management has concluded are the most appropriate for presenting fairly the entity's significant assets, liabilities, net cost of operations, changes in net position, and budgetary resources. Disclosure of accounting policies should identify and describe the accounting principles followed by the reporting entity and the methods of applying those principles. In general, the disclosure should encompass important judgments as to the valuation, recognition, and allocation of assets, liabilities, expenses, revenues and other financing sources. Disclosures of accounting policies should not duplicate details presented elsewhere as part of the notes to the financial statements.

In addition, the summary of significant accounting policies should disclose any significant changes in the composition of the reporting entity or significant changes in the manner in which the reporting entity aggregates information for financial reporting purposes. These changes, in effect, result in a new reporting entity, and their impact should be reported by restating the financial statements for all prior periods presented in order to show the new reporting entity for all periods presented.

Note 1 should specifically include a section explaining Resources Payable to Treasury, Accrued Federal Employee Compensation Act Bills, and Federal Employee Compensation Act liability, as these items are displayed as separate line items on USDA's balance sheet. Stand-alone components may choose to include a separate footnote for Resources Payable to Treasury in their own financial statements, but they should submit a description of it in Note 1 on the templates submitted to OCFO. Stand-alone components should include a description in either Note 1 or another footnote of any additional line items they present on their balance sheet.

14.9.2 Note 2. Fund Balances with Treasury

	<u>Appropriated Funds</u>	<u>Revolving Funds</u>	<u>Trust Funds</u>	<u>Other Funds</u>	<u>Total</u>
Assets for Use by Entity					
Obligated					
Unobligated - Available					
Unobligated - Expired Authority					
Unobligated - Restricted					
Total					
Assets Not for Use by Entity					
Obligated					
Unobligated - Available					
Unobligated - Expired Authority					
Unobligated - Restricted					
Total					

Instructions

- A. Fund Balances.** The total of all undisbursed account balances with the U.S. Treasury, as reflected in the entity's general ledger records and summarized by fund type. Total Fund Balances with Treasury should agree with the sum of Lines 1.a.(1) and 2.a.(1) on the Balance Sheet. The fund types to be reported are the following.

Appropriated Funds. This fund type includes both general and special receipt and expenditure funds, which are assigned account symbols in major classes 0000 -3800, and 5000-5999, except for 4500-4999.

Revolving Funds. This fund type includes account symbols assigned in the range 4500-4999. These accounts record the permanent appropriations and expenditures of collections that are earmarked to finance a continuing cycle of business-type operations, e.g., working capital funds.

Trust Funds. This fund type includes account symbols assigned in the ranges 8000-8999. The funds record receipts earmarked for specific purposes in accordance with a statute that designates the funds as a trust fund, and expenditures of trust fund receipts. It also includes trust revolving accounts, 8400-8499, whose permanent appropriation and expenditure of collections are used to carry out a cycle of business-type operations in accordance with a statute that designates the fund as a trust fund.

Other Fund Types. This fund type includes deposit fund account symbols in the range of 6000-6999. These accounts are established to record amounts held temporarily by the government until ownership is determined, or held by the government as an agent for others. Other fund types also includes clearing account symbols in the range 3800-3899 which are

established to temporarily hold general, special, or trust collections pending clearance to the applicable receipt or expenditure account. If any of the balances under other fund types are material, disclose them in a separate column.

As required in paragraphs 37 and 38 of SFFAS Number 1, *Accounting for Selected Assets and Liabilities*, amounts should be reported separately for obligated balances not yet disbursed, and unobligated balances that are available versus those that are restricted. To minimize confusion, USDA is also reporting separately unobligated balances for expired authority, which are available for adjustments to obligations but are not available for new obligations. Information about obligated and unobligated balances should be reported for fund balances for use by the entity as well as fund balances not for use by the entity. Unobligated - Restricted balances are legislatively restricted for future use and not apportioned for current use.

- B. Other Information.** Federal entities should explain any material discrepancies between Fund Balance with Treasury in their general ledger accounts and the balance in Treasury's accounts. Disclose the causes of these discrepancies in this note. Disclose any other information necessary for understanding the nature of the fund balances.

14.9.3 Note 3. Cash and Other Monetary Assets

	<u>Assets for Use by Entity</u>
A. Cash	\$xxx
B. Foreign Currency	xxx
C. Other Monetary Assets	
(1) Gold	xxx
(2) Special Drawing Rights	xxx
(3) U.S. Reserves in the International Monetary Fund	xxx
(4) Other	xxx
(5) Total Other Monetary Assets	xxx
D. Total Cash, Foreign Currency and Other Monetary Assets	<u>\$ xxx</u>
E. Other Information:	
	<u>Assets Not for Use by Entity</u>
A. Cash	\$xxx
B. Foreign Currency	xxx
C. Other Monetary Assets	
(1) Gold	xxx
(2) Special Drawing Rights	xxx
(3) U.S. Reserves in the International Monetary Fund	xxx
(4) Other	xxx
(5) Total Other Monetary Assets	xxx
D. Total Cash, Foreign Currency and Other Monetary Assets	<u>xxx</u>
E. Other Information:	

Instructions

Report the amount of Cash, Foreign Currency and Other Monetary Assets for assets for use by entity and assets not for use by entity.

- A. **Cash.** The total of cash under the control of the reporting entity, which includes coin, paper currency, purchased foreign currency, negotiable instruments, and amounts on deposit in banks and other financial institutions. Cash available for agency use should include petty cash and cash held in revolving funds which will not be transferred to the general fund.
- B. **Foreign Currency.** The total U.S. dollar equivalent of non-purchased foreign currencies held in foreign currency fund accounts.
- C. **Other Monetary Assets.** This amount represents other items, including gold, special drawing rights, and U.S. Reserves in the International Monetary Fund.
- D. **Total Cash, Foreign Currency, and Other Monetary Assets.** The sum of lines A, B, and C(5). Total Cash, Foreign Currency, and Other Monetary Assets should agree with the sum of Lines 1.b.(7) and 2.b.(2) on the Balance Sheet.
- E. **Other Information.** Disclose any information necessary to understand the nature of the fund balances. Disclose as other information any restrictions on cash. Restricted cash includes holdings which are unavailable for agency use (cash not for use by entity) and have not been transferred to the general fund. Restricted cash also includes cash held in escrow to pay property taxes and insurance related to property associated with defaulted loans. Disclose any restrictions on the use or conversion of cash denominated in foreign currencies, and the significant effects, if any, of changes in the exchange rate on the entity's financial position that occur after the end of the reporting period but before the issuance of financial statements. Provide other information, as appropriate, such as the valuation rate for gold.

14.9.4**Note 4. Investments**

	Amounts for Balance Sheet Reporting					
	(1) <u>Cost</u>	(2) Amortization <u>Method</u>	(3) Unamortized (Premium)/ Discount	(4) Market <u>Value</u>	(5) <u>Investments</u>	(6) Required Market <u>Value Disclosure</u>
A. Federal Securities						
(1) Marketable	\$ xx		\$ xx	\$ xx	\$ xx	\$ xx
(2) Nonmarketable: Par value	xx		xx	xx	xx	xx
(3) Nonmarketable: Market-based	<u>xx</u>		<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Subtotal	xx		xx	xx	xx	xx
B. Non-federal Securities						
(1) [Description]	xx		xx	xx	xx	xx
(2) [Description]	xx		xx	xx	xx	xx
(3) [Description]	xx		xx	xx	xx	xx
Subtotal	<u>xx</u>		<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	<u>\$ xx</u>		<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>
C. Other Information:						

Instructions

Columns 1 and 3 through 5 are for disclosing amounts to be recognized on the Balance Sheet. Securities are normally recognized at cost or amortized cost on the Balance Sheet (column 5 equals column 1 plus or minus column 3). The parenthesis in "Unamortized (Premium) Discount" should not be used in computing "Investments, Net." In other words, assuming no interest is involved, cost equals the face value of the investments plus any premium paid or minus any discount obtained. "Investments, Net" should equal the cost of the investment minus the unamortized premium or plus the unamortized discount. Market value (column 4) is used for Balance Sheet purposes (except for pension and other retirement plans) when (a) there is intent to sell the securities prior to maturity and (b) there is a reduction in value that is more than temporary (column 5 equals column 4). Column 6 is to be used to disclose the market value of all marketable securities (both Federal and Non-Federal) and all non-marketable market-based securities.

- A. **Federal Securities.** Marketable Federal securities can be bought and sold on the open market. Non-marketable par value Treasury securities are issued by the Bureau of the Public Debt to Federal accounts and are purchased and redeemed at par exclusively through Treasury's Finance and Funding Branch. Non-Marketable Market-Based Treasury Securities are not traded on any securities exchange but mirror the prices of marketable securities with similar terms. Total Investments, Federal should agree with Line 1.a.(2) on the Balance Sheet.

- B. Non-Federal Securities.** Securities issued by organizations other than the Federal Government (e.g., State and local governments, private corporations, and government-sponsored enterprises). Total Investments, Non-Federal should agree with Line 1.b.(1) on the Balance Sheet.
- C. Other Information.** Disclose any other information relative to understanding the nature of reported investments, such as permanent impairments.

14.9.5 Note 5. Accounts Receivable

<u>Allowance for Uncollectible Accounts</u>					
	<u>Gross Accounts Receivable</u>	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Net Accounts Receivable</u>
A. Accounts Receivable for Use by Entity					
(1) Federal:					
(Description)	\$xx	\$xx	\$xx	\$xx	\$xx
(Description)	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Subtotal	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
(2) Non-Federal:					
(Description)	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
(Description)	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Subtotal	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Accounts Receivable for Use by Entity	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
B. Accounts Receivable Not for Use by Entity					
(1) Federal:					
(Description)	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
(Description)	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Subtotal	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
(2) Non-Federal:					
(Description)	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
(Description)	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Subtotal	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Accounts Receivable Not for Use by Entity	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Accounts Receivable	<u><u>\$ xx</u></u>	<u><u>\$ xx</u></u>	<u><u>\$ xx</u></u>	<u><u>\$ xx</u></u>	<u><u>\$ xx</u></u>
C. Other Information:					

Instructions

Report the amount of Federal and Non-Federal Accounts Receivable both for receivables for use by entity and receivables not for use by entity.

- A. Accounts Receivable for Use by Entity.** Present the gross receivables, the allowance for uncollectible accounts beginning balance, additions, reductions, and ending balance, and the net accounts receivable amount due. Do not include receivables related to direct or

guaranteed loans which are reported in note 7. Total Federal accounts receivable for use by entity should agree with line 1.a.(3) on the Balance Sheet. Total Non-Federal accounts receivable for use by entity should agree with line 1.b.(2) on the Balance Sheet.

- B. Accounts Receivable Not for Use by Entity.** Present the gross receivables, the allowance for uncollectible accounts beginning balance, additions, reductions, and ending balance, and the net accounts receivable amount due. Do not include receivables related to direct or guaranteed loans which are reported in note 7. Total Federal accounts receivable not for use by entity should agree with line 2.a.(2) on the Balance Sheet. Total Non-Federal accounts receivable not for use by entity should agree with line 2.b.(1) on the Balance Sheet.
- C. Other Information.** Disclose the methodology used to estimate the allowance for uncollectible accounts.

14.9.6 Note 6. Other Assets

A.	Other Assets for Use by Entity	
	1. Federal	
	(Description)	\$ xx
	(Description)	xx
	(Description)	xx
	Total	<u>\$ xx</u>
	2. Non-Federal	
	(Description)	\$ xx
	(Description)	xx
	(Description)	xx
	Total	<u>\$ xx</u>
B.	Other Information:	
C.	Other Assets Not for Use by Entity	
	1. Federal	
	(Description)	\$ xx
	(Description)	xx
	(Description)	xx
	Total	<u>\$ xx</u>
	2. Non-Federal	
	(Description)	\$ xx
	(Description)	xx
	(Description)	xx
	Total	<u>\$ xx</u>
D.	Other Information:	

Instructions

- A. Other Assets for Use by Entity.** List and describe the major homogenous components of other assets for use by entity. Total Federal other assets for use by entity should agree with line 1.a.(7) on the Balance Sheet. Total Non-Federal other assets for use by entity should agree with line 1.b.(10) on the Balance Sheet.

- B. **Other Information.** Provide other information needed to understand the nature of other assets for use by entity.
- C. **Other Assets Not for Use by Entity.** List and describe the major homogenous components of other assets not for use by entity. Total Federal other assets not for use by entity should agree with line 2.a.(3) on the Balance Sheet. Total Non-Federal other assets not for use by entity should agree with line 2.b.(3) on the Balance Sheet.
- D. **Other Information.** Provide other information needed to understand the nature of other assets not for use by entity.

14.9.7 Note 7. Credit Program Receivables and Related Foreclosed Property, Net

Accounting Policy - Present Value (PV) Disclosure:

Direct loan obligations or loan guarantee commitments made prior to FY 1992 and the resulting direct loans or loan guarantees are reported at net present value or net realizable value.

Direct loan obligations or loan guarantee commitments made after FY 1991 and the resulting direct loans or loan guarantees are governed by the Federal Credit Reform Act. The Act requires agencies to estimate the cost of direct loans and loan guarantees at present value for the budget. Additionally, the present value of the subsidy costs (i.e., interest rate differentials, interest subsidies, delinquencies and defaults, fee offsets and other cash flows) associated with direct loans and loan guarantees are recognized as a cost in the year the loan or loan guarantee is disbursed. The net present value of loans or defaulted guaranteed loans receivable at any point in time is the amount of the gross loan or defaulted guaranteed loans receivable less the present value of the subsidy at that time.

Loans Subject to Credit Reform:**Summary Schedule**

<u>Agency</u>	<u>Loan/Credit Receivable, Gross</u>	<u>Interest Receivable, Gross</u>	<u>Foreclosed Property, Gross</u>	<u>Related Allowance</u>	<u>Program Receivable, Net</u>
1. Program name	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
2. Program name	xx	xx	xx	xx	xx
Total	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

Loan Programs Exempt from Credit Reform:

Sec. 502(1) of the Federal Credit Reform Act of 1990 (Public Law 101-508) states that direct loans do not include the price support loans of CCC.

<u>Agency</u>	<u>Gross Receivable</u>	<u>Allowance</u>	<u>Net Receivable</u>
CCC Domestic	\$ xx	\$ xx	\$ xx
Foreign	xx	xx	xx
Total Loans Receivable Exempt from Credit Reform	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

A. The Department operates the following loan and/or loan guarantee programs:

The Agricultural Credit Insurance Fund (ACIF) provides loans for farm ownership, operations and emergencies.

The purpose of the Agricultural Resource Conservation Demonstration Program (Farms for the Future) (ARCD) is to assist states in financing a farmland protection effort to preserve our vital farmland resources for future generations. This purpose is achieved through guaranteeing of prompt payments and interest assistance on loans used to purchase development rights' easements and other types of easements on farmland, the purchase of farmland in fee simple, and related activities.

The Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) provides foreign credit to promote agricultural trade, provides humanitarian relief, and aids in the economic advancement of developing countries. Direct credits are extended for P.L. 480 under Title I, the Enterprise for the Americas Initiative, and Russia Food from Progress program.

The Bureau of Reclamation Loan Fund (BRLF) is authorized by Section I of the 1977 Drought Emergency Act, to make loans to irrigators for the purpose of undertaking construction, management, conservation activities, or the acquisition and transportation of water, which can be expected to have an effect in mitigating losses and damages resulting from the 1976-1977 drought period.

The Export Credit Guarantee Program guarantees payments due U.S. exporters or their assignees from certain foreign banks on loans made for the purchase of agricultural commodities.

B. Direct Loans Obligated Prior to FY 1992:

<u>Loan Programs</u>	<u>Loans Receivable, Gross</u>	<u>Interest Receivable, Gross</u>	<u>Foreclosed Property Gross</u>	<u>Allowance for CPR (PV)</u>	<u>Credit Program Receivables (NPV)</u>
1. Program Name	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
2. Program Name	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx

C. Direct Loans Obligated After FY 1991:

<u>Loan Programs</u>	<u>Loans Receivable, Gross</u>	<u>Interest Receivable, Gross</u>	<u>Foreclosed Property, Gross</u>	<u>Allowance for Subsidy Cost (PV)</u>	<u>Credit Program Receivables (NPV)</u>
1. Program Name	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
2. Program Name	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx

D. Defaults on Pre-1992 Guaranteed Loans:

<u>Loan Guarantee Programs</u>	<u>Defaulted Guaranteed Loans Receivable, Gross</u>	<u>Interest Receivable, Gross</u>	<u>Foreclosed Property Gross</u>	<u>Allowance for Subsidy Cost (PV)</u>	<u>Credit Program Receivables (NPV)</u>
1. Program Name	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
2. Program Name	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx

E. Defaults on Post-1991 Guaranteed Loans:

<u>Loan Guarantee Programs</u>	<u>Defaulted Guaranteed Loans Receivable, Gross</u>	<u>Interest Receivable, Gross</u>	<u>Foreclosed Property, Gross</u>	<u>Allowance for Subsidy Cost (PV)</u>	<u>Credit Program Receivables (NPV)</u>
1. Program Name	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
2. Program Name	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx

F. Guaranteed Loans Outstanding:

<u>Loan Programs</u>	<u>Outstanding Principal Guaranteed Loans, Face Value</u>	<u>Amount of Outstanding Principal Guaranteed</u>
1. Program Name	\$ xx	\$ xx
2. Program Name	<u>xx</u>	<u>xx</u>
Total	<u>\$ xx</u>	<u>\$ xx</u>

G. Liability for Loan Guarantees:

<u>Loan Programs</u>	<u>Liability for Losses on Pre 1992 Guarantees</u>	<u>Liabilities for Post-1991 Loan Guarantees (PV)</u>	<u>Total Liabilities for Loan Guarantees</u>
1. Program Name	\$ xx	\$ xx	\$ xx
2. Program Name	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

H. Subsidy Expense for Post-1991 Loans and Credit Receivables

Note: The amount of subsidy reported on the Statement of Operations includes accruals, whereas the amount reported in the footnote is the subsidy expense associated with current year disbursements and reestimates of loans.

1. Current Year's Direct Loans

<u>Loan Programs</u>	<u>Interest Differential</u>	<u>Defaults</u>	<u>Fees</u>	<u>Other</u>	<u>Total</u>
1. Program Name	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
2. Program Name	xx	xx	xx	xx	<u>xx</u>
Total					<u>\$ xx</u>

2. Direct Loan Modifications and Reestimates

<u>Loan Programs</u>	<u>Modifications</u>	<u>Re-estimates</u>
1. Program Name	\$ xx	\$ xx
2. Program Name	xx	xx

3. Total Direct Loan Subsidy Expenses

<u>Loan Programs</u>	<u>Total</u>
1. Program Name	\$ xx
2. Program Name	<u>xx</u>
Total	<u>\$ xx</u>

I. Subsidy Expense for Post-1991 Loan Guarantees:1. Current Year's Loan Guarantees

<u>Loan Programs</u>	<u>Interest Defaults</u>	<u>Fees</u>	<u>Supplement</u>	<u>Other</u>	<u>Total</u>
1. Program Name	\$ xx	\$(xx)	\$ xx	\$ xx	\$ xx
2. Program Name	xx	(xx)	xx	xx	<u>xx</u>
Total					<u>\$ xx</u>

2. Loan Guarantee Modifications and Re-estimates

<u>Loan Programs</u>	<u>Modifications</u>	<u>Re-estimates</u>
1. Program Name	\$ xx	\$ xx
2. Program Name	\$ xx	\$ xx

3. Total Loan Guarantee Subsidy Expense

<u>Loan Programs</u>	
1. Program Name	\$ xx
2. Program Name	<u>xx</u>
Total	<u>\$ xx</u>

J. Administrative Expense:

<u>Entity</u>	<u>Direct Loans and Loan Guarantees</u>
1. Entity Name	\$ xx
2. Entity Name	xx
3. Entity Name	<u>xx</u>
Total	<u>\$ xx</u>

K. Other Information:

Methodology for Accruing Interest Income

Interest income on loans is accrued at the contractual rate on the balance. Various departmental lending programs provide for interest rates significantly less than the U.S. Treasury average interest rate. CCC, FSA FLP, and RD estimated that the net cumulative effect of reporting the unamortized discount would cause an approximate \$x,xxx million, \$x,xxx million, and \$x,xxx million reduction in net loans receivable, respectively.

Nonperforming Loans

The unpaid principal balance of CCC Foreign Credit, FSA FLP loans, and RD loans in a nonperforming status at fiscal year-end totaled \$x,xxx million, \$x,xxx million, and \$x,xxx million, respectively. If interest had been reported on these nonperforming loans, instead of reported only to the extent of the collections received, interest income would have increased by \$xxx million, \$xxx million and \$xxx million, to a total of \$xxx million, \$xxx million and \$xxx million, respectively during fiscal year 2000 increased by \$xxx million, \$xxx million, and \$xxx million, respectively during the entire delinquency.

Servicing Actions Available to Assist Financially Troubled Borrowers

As discussed in Note 1, "Significant Accounting Policies," all three lending agencies restructure loans in order to provide a reduction or deferral of interest and/or principal because of a deterioration in the financial position of the borrower. The principal amounts of these restructured loans as of September 30, 2000, for CCC, FSA FLP, and RD totaled \$x,xxx million, \$x,xxx million, and \$x,xxx million, respectively.

Instructions

All references to "loans" and "loan guarantees" throughout this note also include the Commodity Credit Corporation's (CCC) credit receivables and credit guarantees.

Loans Subject to Credit Reform: Complete summary schedule for all loan programs subject to credit reform. Total Program Receivable, Net should equal line 1.b.(3) on the Balance Sheet.

Loan Programs Exempt from Credit Reform: CCC's domestic loans are exempt from the Federal Credit Reform Act by law. Complete chart for all loans exempt from credit reform. Amounts should agree with Lines 1.b.(4) and 1.b.(5) on the Balance Sheet.

- A. **Identity.** Add or delete from this list, the names of the direct loan and loan guarantee programs operated by the reporting entity. The Federal Credit Reform Act of 1990 divides direct loans and loan guarantees into two groups: (a) Pre-1992 means the direct loan obligations or loan guarantee commitments made prior to FY 1992 and the resulting direct loans or loan guarantees, and (b) Post-1991 means the direct loan obligations or loan guarantee commitments made after FY 1991 and the resulting direct loans or loan guarantees. The definitions and explanations of terms and concepts in these instructions can be supplemented by referring to OMB Circular A-34, Section 12, and OMB Circular A-11, Section 33.

Section 506(a)(1) of the Federal Credit Reform Act exempts the credit activities of certain agencies, such as FDIC and TVA. These agencies can report in accordance with other requirements.

Agencies should disclose that direct loan obligations and loan guarantee commitments made after FY 1991, and the resulting direct loans or loan guarantees, are governed by the Federal Credit Reform Act of 1990. The Act provides that the present value of the subsidy costs (which arises from interest rate differentials, interest subsidies, delinquencies and defaults, fee offsets, and other cash flows) associated with direct loans and loan guarantees be recognized as a cost in the year the direct or guaranteed loan is disbursed. Direct loans are reported net of an allowance for subsidy at present value, and loan guarantee liabilities are reported at present value.

Agencies should also disclose whether pre-1992 direct loans and loan guarantees are reported on a present value basis or are reported under the allowance for loss method. (Under the allowance for loss method, the nominal amount of the direct loans is reduced by an allowance for uncollectible amounts, and the liability for loan guarantees is the amount the agency estimates will more likely than not require a future cash outflow to pay default claims; under the present value method, the nominal amount of direct loans is reduced by an allowance equal to the difference between the nominal amount and the present value of the expected net cash flows from the loans, and the liability for loan guarantees is the present value of expected net cash outflows due to the loan guarantees.) Depending on the reporting method selected by management for pre-1992 direct loans and loan guarantees, agencies should choose the appropriate format from the alternatives shown in sections B, D, and G above. (Note: Agencies should follow either the net present value method or the allowance for loss method but not both. They may not change from one method to the other without the advance approval of OMB.)

Agencies should disclose that their loans receivable, net, or their value of assets related to direct loans, is not the same as the proceeds that they would expect to receive from selling their loans.

When the reporting entity has made payments on behalf of borrowers which should be collected from the borrowers, the resulting receivables shall be reported in the same column as loans receivable for either direct loans or defaulted guaranteed loans. Receivables related to administrative costs of operating these programs shall be reported as accounts receivable in Note 5 and not as credit program receivables in this note.

- B. **Direct Loans Obligated Prior to FY 1992.** For each program with pre-1992 Direct Loans, report Loans Receivable Gross and Interest Receivable in columns 2 and 3 respectively. If the present value method is used, report in column 4 the estimated net realizable value of related foreclosed property and report in column 5 the present value allowance. The sum of columns 2 through 4 less column 5 is reported as Loans Receivable, Net (column 6). If the allowance for loss method is used, report in column 4 the allowance for loan losses and in column 5 the estimated net realizable value of related foreclosed property. The sum of columns 2, 3, and 5 less column 4 is reported as Loans Receivable, Net (column 6).
- C. **Direct Loans Obligated After FY 1991.** For each program with post-1991 Direct Loans, report Loans Receivable, Gross, Interest Receivable and the estimated net realizable value of related foreclosed property in columns 2, 3, and 4, respectively.

Foreclosed property associated with post-1991 direct and acquired defaulted guaranteed loans shall be valued at the net present value of the projected cash flows associated with the property. To accomplish this requirement in a practical fashion, foreclosed property may be recorded at the estimated net realizable value at the time of foreclosure. A portion of the related allowance for subsidy account should apply to the foreclosed property, but that amount need not be separately determined. Rather, the allowance account is subtracted from the sum of the credit program assets to determine the net present value of the assets.

For guidance in recording transactions related to foreclosures, see Treasury's case study "Defaulted Guaranteed Loans with Collateral - Present Value" available on the internet at www.fms.treas.gov/creditreform/casestud.html.

Report the related allowance for subsidy cost in column 5. Report the sum of columns 2 through 4 less column 5 as the Value of Assets Related to Direct Loans (column 6).

- D. **Defaulted Guaranteed Loans from Pre-1992 Guarantees.** For each program with pre-1992 Loan Guarantees, report gross receivables from defaulted guaranteed loans assumed for direct collection in column 2 and the related interest receivable in column 3. If the present value method is used, report the estimated net realizable value of related foreclosed property in column 4, and the present value allowance in column 5. The sum of columns 2, 3, and 5 less column 4 is reported as Defaulted Guaranteed Loans Receivable, Net (column 6). If the allowance for loss method is used, report the allowance for loan losses in column 4 and the estimated net realizable value of related foreclosed property in column 5. The sum of columns 2 through 4 less column 5 is reported as Defaulted Guaranteed Loans Receivable, Net (column 6).

- E. **Defaulted Guaranteed Loans for Post-1991 Guarantees.** For each program with post-1991 Loan Guarantees, report gross receivables from defaulted guaranteed loans assumed for direct collection, related interest receivable, and the estimated net realizable value of related foreclosed property in columns 2, 3, and 4, respectively. Report the related allowance for subsidy cost in column 5. Report the sum of columns 2 through 4 less column 5 as the Value of Assets Related to Defaulted Guaranteed Loans Receivable (column 6). For foreclosed property, see the instructions for section C. The sum of the amounts reported in column 6 of sections B, C, D, and E shall equal the amount reported on the Balance Sheet as credit program receivables and related foreclosed property, net.
- F. **Guaranteed Loans Outstanding.** For each loan guarantee program, report in column 2 the outstanding principal of guaranteed loans at face value. In column 3, report the amount of this outstanding principal that is guaranteed.
- G. **Liability for Loan Guarantees.** For each program with pre-1992 loan guarantees, report in column 2 the liability for losses. If the present value method is used to calculate the liability, report in column 2 the present value of liabilities for losses on pre-1992 guarantees. If the estimated future default claims method is used, report in column 2 the estimated future default claims. For each program with post-1991 loan guarantees, report in column 3 the present value of the estimated net cash flows (outflows less inflows) to be paid by the entity as a result of the loan guarantees. Report the total of columns 2 and 3 as total liabilities for loan guarantees (column 4).
- H. **Subsidy Expense for Post-1991 Direct Loans.**

Direct Loans. Report the direct loan subsidy expense, consisting of the following, at present value, as follows:

1. **Current Year's Direct Loans:** In column 2, the present value of the amount of the subsidy expense attributable to the interest rate differential between the interest rate to be collected from the borrowers and the interest rate to be paid on funds borrowed to finance the loans; in column 3, the present value of the estimated delinquencies and defaults (net of recoveries); in column 4, the present value of the estimated fees collected (offsetting expense); in column 5, the present value of other cash flows, including prepayments and proceeds of loan asset sales; and in column 6, the total of columns 2 through 5.
2. **Direct Loan Modifications and Reestimates:** In column 2, the subsidy cost of modifications of direct loans previously disbursed (whether pre-1992 or post-1991); and in column 3, reestimates of the subsidy cost of direct loans previously disbursed.
3. **Total Direct Loan Subsidy Expense:** The total subsidy expense for current year's direct loans, modifications, and reestimates.

I.. Subsidy Expense for Post-1991 Loan Guarantees.

Loan Guarantees. Report the loan guarantee subsidy expense consisting of the following present values:

1. **Current Year's Loan Guarantees:** In column 2, the present value of the estimated payments for delinquencies and defaults on loan guarantees (net of recoveries); in column 3, the present value of the estimated fees collected (offsetting expense); in column 4, the present value of the amount of the interest supplement; in column 5, the present value of other cash flows; and in column 6, the total of columns 2 through 5.
2. **Loan Guarantee Modification and Reestimates:** In column 2, the subsidy cost of modifications of loan guarantees previously made (whether pre-1992 or post-1991); in column 3, the reestimates of the subsidy cost of loan guarantees previously made.
3. **Total Loan Guarantee Subsidy Expense:** The total subsidy expense for current year's loan guarantees, modifications, and reestimates.

J. Administrative Expense. Report the portions of salaries and other administrative expenses that have been accounted for in support of the direct loan programs and loan guarantee programs. Report the expenses for the individual programs, if material.

K. Other Information. Complete applicable sections as appropriate. Provide other information related to direct loan and loan guarantee programs, as appropriate, including any commitments to guarantee, management's method for accruing interest revenue and recording interest receivable, and management's policy for accruing interest on non-performing loans.

If modifications were made, explain the nature of the modifications, the discount rate used in calculating the expense, and the basis for recognizing a gain or loss related to the modification.

Also, if appropriate, disclose that the subsidy expense resulting from reestimates that is included in the financial statements is not reported in the budget until the following year.

With respect to the foreclosed property reported in sections B, C, D, and E, the following information should be disclosed:

- Changes from prior year's accounting methods, if any
- Restrictions on the use/disposal of the property
- Number of properties held and average holding period by type or category, and

- Number of properties for which foreclosure proceedings are in process at the end of the period.

14.9.8 Note 8. Inventory and Related Property:

A. Goods Held Under Price Support and Stabilization Programs:	
Beginning balance	\$ xx
Acquired during the year	xx
Disposals during the year:	
1. Method of disposal	xx
2. Method of disposal	<u>xx</u>
Ending Balance	<u>\$ xx</u>
Amount estimated to be donated or transferred during the coming period	xx
Amount that may be received as a result of collateral related to nonrecourse loans outstanding	xx
Required Disclosures:	
B. Inventories:	
Inventory held for current sale	\$ xx
Reserved for future sale	xx
Excess, obsolete, and unserviceable	xx
Held for repair	<u>xx</u>
Total Inventory	<u>\$ xx</u>
Required Disclosures:	
C. Operating Materials and Supplies:	
Items held for Use	\$ xx
Items held in reserve for future use	xx
Excess, obsolete, and unserviceable items	<u>xx</u>
Total Operating Materials and Supplies	<u>\$ xx</u>
Required Disclosures:	

Instructions

The following tables describe the information that shall be disclosed for each category of inventory and related property. Complete the charts as applicable. Goods Held Under Price Support and Stabilization Programs ending balance, Total Inventory, and Total Operating Materials and Supplies should equal line 1.b.(8) on the Balance Sheet.

<u>DESCRIPTION</u>	<u>REQUIRED DISCLOSURES</u>
Goods held under price support and stabilization programs	<ul style="list-style-type: none"> • Basis for valuing the commodities, including the valuation method and any cost flow assumptions • Changes from prior year's accounting methods, if any • Restrictions on the use, disposal, or sale of commodities • An analysis of change in the dollar value and volume of commodities, including those (1) on hand at the beginning of the year, (2) acquired during the year, (3) disposed of during the year by method of disposition, (4) on hand at the end of the year, (5) on hand at year's end and estimated to be donated or transferred during the coming period, and (6) that may be received as a result of collateral related to nonrecourse loans outstanding. The analysis should also show the dollar value and volume of purchase agreement commitments
Inventories	<ul style="list-style-type: none"> • General composition of inventory • Basis for determining inventory values, including the valuation method and any cost flow assumptions • Changes from prior year's accounting methods, if any • Balances for each of the following categories of inventory: (1) inventory held for current sale; (2) inventory held in reserve for future sale; (3) excess, obsolete and unserviceable inventory; and, (4) inventory held for repair, unless otherwise presented on the financial statements • Restriction on the sale of inventory • The decision criteria for identifying the category to which inventory is assigned • Changes in the criteria for identifying the category to which inventory is assigned
Operating materials and supplies	<ul style="list-style-type: none"> • General composition of operating materials and supplies • Basis for determining operating materials and supplies values, including the valuation method and any cost flow assumptions • Changes from prior year's accounting methods, if any • Balances for each of the following categories of operating materials and supplies: (1) items held for use, (2) items held in reserve for future use, and (3) excess, obsolete and unserviceable items • Restriction on the use of operating materials and supplies • The decision criteria for identifying the category to which operating materials and supplies are assigned • Changes in the criteria for identifying the category to which operating materials and supplies are assigned

14.9.9 Note 9. General Property, Plant, and Equipment**A. Existing General Property, Plant, and Equipment**

<u>Classes</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>	<u>Estimated Useful Life</u>	<u>Method of Depreciation</u>
<u>Personal Property:</u>					
ADP Hardware	\$ xx	\$ xx	\$ xx	**	*
Equipment	xx	xx	xx	**	*
Vehicles	xx	xx	xx	**	*
Other	xx	xx	xx	**	*
<u>Real Property:</u>					
Buildings	xx	xx	xx	**	*
Dam Systems	xx	xx	xx	**	*
Developed sites	xx	xx	xx	**	*
Land	xx	xx	xx	**	*
Roads and bridges	xx	xx	xx	**	*
Other	xx	xx	xx	**	*
Subtotal	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>		

B. General Property, Plant, and Equipment Reevaluated in Year of Implementation

<u>Classes</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>	<u>Estimated Useful Life</u>	<u>Method of Depreciation</u>
<u>Personal Property:</u>					
ADP Hardware	\$ xx	\$ xx	\$ xx	**	*
Equipment	xx	xx	xx	**	*
Vehicles	xx	xx	xx	**	*
Other	xx	xx	xx	**	*
<u>Real Property:</u>					
Buildings	xx	xx	xx	**	*
Dam Systems	xx	xx	xx	**	*
Developed sites	xx	xx	xx	**	*
Land	xx	xx	xx	**	*
Roads and bridges	xx	xx	xx	**	*
Other	xx	xx	xx	**	*
Subtotal	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>		

C. Total General Property, Plant, and Equipment

<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>
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D. Stewardship Assets Removed from General Property, Plant, and Equipment**Heritage Assets**

<u>Classes</u>	<u>Accumulated Cost</u>	<u>Depreciation</u>	<u>Book Value</u>
<u>Personal Property:</u>			
ADP Hardware	\$ xx	\$ xx	\$ xx
Equipment	xx	xx	xx
Vehicles	xx	xx	xx
Other	xx	xx	xx
<u>Real Property:</u>			
Buildings	xx	xx	xx
Dam Systems	xx	xx	xx
Developed sites	xx	xx	xx
Roads and bridges	xx	xx	xx
Other	xx	xx	xx
Total	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

The Department implemented the Statement of Federal Financial Accounting Standards Number 6 and removed from general PP&E, \$xx in heritage assets and \$xx in stewardship land. These assets were previously recognized for balance sheet reporting.

E. Other Information:

*Depreciation Methods

SL	Straight Line
DD	Double-Declining Balance
SY	Sum of the Years' Digits
IN	Interest (sinking fund)
PR	Production (activity or use method)
OT	Other (describe)

**Range of Service Life

1-5	1 to 5 years
6-10	6 to 10 years
11-20	11 to 20 years
>20	over 20 years

Instructions

A. **Existing General PP&E.** USDA's major classes of general PP&E are shown on the chart above. Disclose the following for each major class of existing general PP&E:

- the cost, associated accumulated depreciation, and book value
- the estimated useful lives
- the method(s) of depreciation

B. **General Property, Plant, and Equipment Reevaluated in Year of Implementation.** Recognition and measurement criteria for general PP&E are in SFFAS No. 6. For existing PP&E, if adjustments are required in the period that the standards are implemented to comply with the recognition and measurement criteria, the adjustments should be made and disclosed by major class in accordance with the standard. Disclose the following for each major class of reevaluated general PP&E:

- the cost, associated accumulated depreciation, and book value
- the estimated useful lives
- the method(s) of depreciation

C. **Total General Property, Plant, and Equipment.** Total Book Value should equal line 1.b.(9) on the Balance Sheet.

D. **Stewardship Assets Removed from General Property, Plant, and Equipment.** Other actions to implement SFFAS No. 6 that require prior period adjustments and footnote disclosures include removal from the balance sheet of heritage assets, stewardship land, and related contra assets. Complete the chart and narrative in section D.

E. **Other Information.** Disclose capitalization threshold(s), including any changes in threshold(s) during the period and restrictions on the use or convertibility of general PP&E for each major class of existing and reevaluated General PP&E as defined in sections A and B.

14.9.10 Note 10. Debt

	<u>Beginning Balance</u>	<u>Net Borrowing</u>	<u>Ending Balance</u>
A. Agency Debt:			
(1) Held by Government Accounts	\$ xx	\$ xx	\$ xx
(2) Held by the Public	<u>xx</u>	<u>xx</u>	<u>xx</u>
(3) Total Agency Debt	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>
B. Other Debt			
(1) Debt to the Treasury	\$ xx	\$ xx	\$ xx
(2) Debt to the Federal Financing Bank	xx	xx	xx
(3) Debt to Other Federal Agencies	<u>xx</u>	<u>xx</u>	<u>xx</u>
(4) Total Other Debt	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Debt	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>
C. Classification of Debt			
Federal Debt			\$ xx
Non-Federal Debt			<u>xx</u>
Total Debt			<u>\$ xx</u>
D. Other Information:			

Instructions

Except for credit program debt to Treasury or loan guarantee and other liabilities covered by budgetary resources at the balance sheet date, all debt is classified as not covered by budgetary resources.

- A. Agency Debt.** Enter the amounts of agency debt issued under special financing authorities (e.g., Federal Housing Administration (FHA) debentures and Tennessee Valley Authority bonds). Report separately agency debt held by government agencies and agency debt held by the public.
- B. Other Debt.** Enter the amounts of debt owed to Federal agencies as follows: on line B(1), debt owed to the Treasury, which includes direct loan and guaranteed loan financing account liabilities to Treasury as well as other debt owed to Treasury; on line B(2), debt owed to the Federal Financing Bank; and, on line B(3), debt owed to other Federal agencies.
- C. Classification of Debt.** Report as federal debt all debt owed to Treasury, the Federal Financing Bank or other Federal Agencies or accounts (line A (1) and B(4)). This amount shall equal the federal debt amount reported on lines 4.a.(2) and 5.a.(2) on the balance sheet. Report as non-federal debt all debt held by the public (lines A(2)). This amount shall equal the non-federal debt amount reported on lines 4.b.(2) and 5.b.(2) on the balance sheet.

- D. **Other Information.** Provide the names of the agencies, other than Treasury or the Federal Financing Bank, to which federal debt is owed and the amounts. Provide other information relative to debt (for example, redemption or call of debts owed to the public before maturity dates, write-offs of debts owed Treasury or the Federal Financing Bank, etc.).

14.9.11 Note 11. Liabilities for Environmental Cleanup Costs

A. Liabilities Covered by Budgetary Resources:

1. Federal:

Cleanup Costs Related to General PP&E	\$ xx
Cleanup Costs Related to Stewardship PP&E	<u>xx</u>
Total Federal	\$ xx

2. Non-Federal:

Cleanup Costs Related to General PP&E	\$ xx
Cleanup Costs Related to Stewardship PP&E	<u>xx</u>
Total Non-Federal	\$ xx

B. Liabilities Not Covered by Budgetary Resources:

1. Federal:

Cleanup Costs Related to General PP&E	\$ xx
Cleanup Costs Related to Stewardship PP&E	<u>xx</u>
Total Federal	\$ xx

2. Non-Federal:

Cleanup Costs Related to General PP&E	\$ xx
Cleanup Costs Related to Stewardship PP&E	<u>xx</u>
Total Non-Federal	\$ xx

C. Other Information.

Instructions

- A. Report liabilities for environmental cleanup costs covered by budgetary resources, Federal and Non-Federal for both general PP&E and stewardship PP&E. Total liabilities for environmental cleanup costs covered by budgetary resources, Federal and non-Federal should equal lines 4.a.(3) and 4.b.(4), respectively on the Balance Sheet.
- B. Report total liabilities for environmental cleanup costs not covered by budgetary resources, Federal and Non-Federal for both general PP&E and stewardship PP&E. Total liabilities for environmental cleanup costs not covered by budgetary resources, Federal and non-Federal should equal lines 5.a.(3) and 5.b.(3), respectively on the Balance Sheet.
- C. **Other Information:** Disclose the following information:
1. The sources (laws and regulations) of cleanup requirements.
 2. The method for assigning estimated total cleanup costs to current operating periods (e.g., physical capacity or passage of time).

3. For cleanup costs associated with general PP&E, the unrecognized portion of estimated total cleanup costs (the estimated total less the cumulative amounts charged to expense at the balance sheet date).
4. Material changes in the total estimated cleanup costs due to changes in laws, technology, or plans should be disclosed. Also disclose the portion of the change in estimate that relates to prior period operations.

14.9.12 Note 12. Other Liabilities

A. Other Liabilities Covered by Budgetary Resources:

	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
1. Federal			
(1) _____	\$ xx	\$ xx	\$ xx
(2) _____	xx	xx	xx
(3) _____	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>
2. Non-Federal			
(1) _____	\$ xx	\$ xx	\$ xx
(2) _____	xx	xx	xx
(3) _____	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

B. Other Information:

C. Other Liabilities not Covered by Budgetary Resources:

	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
1. Federal			
(1) _____	\$ xx	\$ xx	\$ xx
(2) _____	xx	xx	xx
(3) _____	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>
2. Non-Federal			
(1) _____	\$ xx	\$ xx	\$ xx
(2) _____	xx	xx	xx
(3) _____	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>

D. Other Information:

Instructions

- A.. & C. **Other Liabilities.** Include all liabilities not reported on another line item. Separately report other liabilities covered by budgetary resources and those not covered by budgetary resources, and separately disclose the current portion of other liabilities covered by budgetary resources. Total Other Liabilities Covered by Budgetary Resources, Federal and Non-Federal, should agree with lines 4.a.(7) and 4.b.(8), respectively on the Balance Sheet. Total Other Liabilities Not Covered by Budgetary Resources, Federal and Non-Federal should agree with lines 5.a.(4) and 5.b.(6), respectively on the Balance Sheet.

B. & D. Other Information. Provide other information necessary for understanding other liabilities.

14.9.13 Note 13. Lease Liabilities

A. Entity as Lessee:

Capital Leases:

Summary of Assets Under Capital Lease:

Land and Buildings	\$ xx
Machinery and Equipment	xx
Other	xx
Accumulated Amortization	xx

Description of Lease Arrangements:

Future Payments Due

<u>Fiscal Year</u>	<u>Asset Category</u>			<u>Totals</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	
Year 1 (FY 2001)	\$ xx	\$ xx	\$ xx	\$ xx
Year 2 (FY 2002)	xx	xx	xx	xx
Year 3 (FY 2003)	xx	xx	xx	xx
Year 4 (FY 2004)	xx	xx	xx	xx
Year 5 (FY 2005)	xx	xx	xx	xx
After 5 Years	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Future Lease Payments	\$ xx	\$ xx	\$ xx	\$ xx
Less: Imputed Interest	xx	xx	xx	xx
Executory Costs	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Net Capital Lease Liability	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>	<u>\$ xx</u>
Liabilities covered by budgetary resources				<u>\$ xx</u>
Liabilities not covered by budgetary resources				<u>\$ xx</u>

Operating Leases:

Description of Lease Arrangements:

Future Payments Due

<u>Fiscal Year</u>	<u>Asset Category</u>			<u>Totals</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	
Year 1 (FY 2001)	\$ xx	\$ xx	\$ xx	\$ xx
Year 2 (FY 2002)	xx	xx	xx	xx
Year 3 (FY 2003)	xx	xx	xx	xx
Year 4 (FY 2004)	xx	xx	xx	xx
Year 5 (FY 2005)	xx	xx	xx	xx
After 5 Years	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Future Lease Payments	\$ xx	\$ xx	\$ xx	\$ xx

B. Entity as Lessor:

Capital Leases:

Description of Lease Arrangements:

Future Projected Receipts

<u>Fiscal Year</u>	<u>Asset Category</u>			<u>Totals</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	
Year 1 (FY 2001)	\$ xx	\$ xx	\$ xx	\$ xx
Year 2 (FY 2002)	xx	xx	xx	xx
Year 3 (FY 2003)	xx	xx	xx	xx
Year 4 (FY 2004)	xx	xx	xx	xx
Year 5 (FY 2005)	xx	xx	xx	xx
After 5 Years	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Future Capital Lease Receivables	\$ xx	\$ xx	\$ xx	\$ xx

Operating Leases:

Description of Lease Arrangements:

Future Projected Receipts

<u>Fiscal Year</u>	<u>Asset Category</u>			<u>Totals</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	
Year 1 (FY 2001)	\$ xx	\$ xx	\$ xx	\$ xx
Year 2 (FY 2002)	xx	xx	xx	xx
Year 3 (FY 2003)	xx	xx	xx	xx
Year 4 (FY 2004)	xx	xx	xx	xx
Year 5 (FY 2005)	xx	xx	xx	xx
After 5 Years	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total Future Operating Lease Receivables	\$ xx	\$ xx	\$ xx	\$ xx

C. Other Information:

Instructions

This footnote is presented for informational purposes. Liabilities related to leases that are recognized in the general ledger are reported as part of other liabilities in Note 12. SFFAS Numbers 5 and 6 provide the criteria for liability and asset recognition with respect to capital leases.

- A.. **Entity as Lessee.** Summary of Assets Under Capital Lease: Enter the gross assets under capital lease, by major asset category, and the related total accumulated amortization.

Description of Lease Arrangements: Provide information that discloses the agency's funding commitments including, but not limited to, the major asset categories and associated lease terms, including renewal options, escalation clauses, contingent rentals restrictions imposed by lease agreements, and the amortization period.

Future Payments Due: Enter future lease payments, by major asset category, for all noncancelable leases with terms longer than one year.

For capital leases, show deductions for imputed interest and executory costs. Imputed interest costs are financing costs that Treasury would have incurred if it had issued debt equal to the total project cost. The difference between the total estimated legal obligations

(excluding obligations for annual operating expenses) and their estimated net present value represents imputed interest costs. Imputed interest costs shall be calculated at Treasury rates for marketable debt instruments of similar maturity to the lease period on the date the contract was signed. Executory costs include insurance, maintenance, and taxes incurred for leased property, whether paid by the lessor or lessee.

Separately disclose the portions of the capital lease liability covered by budgetary resources and not covered by budgetary resources (see Appendix B of OMB Circular A-11 for additional guidance but observe a difference in terminology: that the term “capital leases” as used in this note includes “capital leases and “lease purchases” as the terms are used in Circular A-11). See Note 12, Other Liabilities for cross check to the Balance Sheet.

- B. Entity as Lessor.** Description of Lease Arrangements: Provide the information necessary to disclose the commitment of the entity's assets including but not limited to the major asset category and lease terms.

Future Projected Receipts: Enter future lease revenues, by major asset category, for all noncancelable leases with terms longer than one year.

- C. Other Information.** Provide other information necessary for understanding leases that is not disclosed in the above categories.

14.9.14 Note 14. Unexpended Appropriations

A.	Unexpended Appropriations:	
	(1) Unobligated	
	(a) Available	\$ xx
	(b) Unavailable	xx
	(2) Undelivered orders	xx
	Total	<u>xx</u>
		<u>\$ xx</u>
B.	Other Information:	

Instructions

- A. Unexpended Appropriations.** The total of the entity's appropriations represented by unobligated balances and undelivered orders. Unobligated balances shall be segregated to show available and unavailable amounts. Total Unexpended Appropriations should equal line 7 on the Balance Sheet.
- B. Other Information.** Provide information that will enhance the financial statement reader's understanding of unexpended appropriations.

14.9.15 Note 15. Contingencies and Commitments

Most legal actions that affect USDA and involve an amount in excess of \$2,500 fall under the Federal Tort Claims Act and are paid from the Claims and Judgments Fund maintained by the Department of Treasury. USDA is not required to reimburse this Fund for payments made on its behalf. Pursuant to the guidance contained in SFFAS Number 5, USDA recognizes an expense and liability for all contingent liabilities determined to be probable and estimable. Those contingent liabilities that meet the requirements for disclosure, but not recognition are disclosed below. Once the claim is settled or court Judgment is assessed against USDA and the Judgment Fund is determined to be the appropriate source for payment of claims, USDA records an imputed other financing source. During FY 2000, approximately \$XX million, respectively, were paid from the Fund to settle actions against USDA.

(Narrative)

Instructions

Complete the disclosure for amounts paid by the Treasury Judgment Fund to settle actions against your agency.

Disclose the nature of a contingency and an estimate of the possible liability, an estimate of the range of the possible liability, or a statement that such an estimate cannot be made. A loss contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible loss to an entity. The uncertainty should ultimately be resolved when one or more future events occur or fail to occur. The likelihood that the future event or events will confirm the loss or the incurrence of a liability can range from probable to remote. In addition to the contingent liabilities required by SFFAS No. 5, an estimate of obligations related to canceled appropriations for which the reporting entity has a contractual commitment for payment should also be disclosed. Include the following:

- Disclose FCIC Program Continuance losses accumulated at the end of the fiscal year,
- Include commitments under the Conservation Reserve Program, and
- any other agency commitments.

The January 7, 2000, technical amendment to OMB Bulletin 97-01 also requires disclosure of amounts for contractual arrangements which may require future financial obligations (commitments), e.g., undelivered orders.

14.9.16 Note 16. Supporting Schedules for the Statement of Net Cost

(In Millions)										
	<u>Food, Nutrition, and Consumer Service</u>	<u>Farm and Foreign Agricultural Services</u>	<u>Natural Resources and Environment</u>	<u>Research, Education, and Economics</u>	<u>Rural Development</u>	<u>Marketing and Regulatory Programs</u>	<u>Food Safety</u>	<u>Other USDA Services</u>	<u>Intra USDA Elimination</u>	<u>Total</u>
Costs: (Note 16)										
Program Cost										
Federal	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ (XXX)	\$ XXX
Non-federal: Grants and Transfers	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
Other Program Costs	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>		<u>XXX</u>
Total Program										
Production Costs	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(XXX)	XXX
Less Earned Revenues (Note 17)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>(XXX)</u>	<u>XXX</u>
Excess Production Costs Over Revenues	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(XXX)	XXX
Nonproduction Costs:										
Acquisition Cost of Heritage Assets	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
Acquisition Cost of Stewardship Land	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
(Gain) or Loss on Disposition of Assets	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
Other Nonproduction Costs	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>---</u>	<u>XXX</u>
Net Program Costs	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(XXX)	XXX
Costs Not Assigned to Programs	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(XXX)	XXX
Less Other Earned Revenues Not Attributed to Programs (Note 17)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
NET COST OF OPERATIONS	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$XXX</u>	<u>\$(XXX)</u>	<u>\$XXX</u>

Instructions

Note 16 presents the same general information as presented in the consolidating USDA Statement of Net Cost. The suborganizations (responsibility segments) consist of the six mission areas and a seventh suborganization titled “Other USDA Services” composed of the Department Working Capital Fund (WCF) and Departmental Offices and Programs (direct appropriations). The suborganizations (mission areas) for fiscal year 2000 are:

- Food, Nutrition, and Consumer Service
 - Farm and Foreign Agricultural Services
 - Natural Resources and Environment
 - Research, Education, and Economics
 - Rural Development
 - Marketing and Regulatory Programs
 - Food Safety
 - Other USDA Services

Cost and exchange revenue information reported on the templates should be net of intraagency activity. Agencies/corporations who issue their own financial statements should report their own suborganization (responsibility segment) and program information net of intraagency activity.

Line item instructions for the supplemental schedules are defined as follows.

1. **Program Costs.** These costs include the full costs of program outputs and consist of the responsibility segment's costs that can be directly traced, assigned on a cause and effect basis, or reasonably allocated to the program outputs. Program costs also include any nonproduction costs that can be assigned to the program but not to its outputs. The costs of program outputs shall include the costs of services provided by other entities whether or not the providing entity is fully reimbursed. See chapter 5 in this manual for a detailed discussion of full costs and interentity costs. The costs of program outputs shall also include costs that are paid in total or in part by other entities to the extent that accounting standards and Office of Management and Budget (OMB) guidance require them to be recognized in financial statements. For example, employer entities (mission area, agency, or corporation) shall recognize the cost of pensions and other retirement benefit (ORB) expenses in their financial statements. The amount recognized shall equal the service costs of their employees for the accounting period, less amounts contributed by the employees. See chapter 11 in this manual for further details about pensions and ORB.

a. **Federal.** Normal direct and indirect business costs related to the production of goods and services where inputs were acquired from other Federal organizations are labeled as "Federal" on the supplemental schedules of program cost. These include the direct costs; distributed administration, management, and support costs; and imputed interentity costs from other Federal entities (see chapter 5 for discussion of interentity costs).

For fiscal years 1998 and 1999, OMB has stated that agencies shall limit recognition of imputed interentity costs to pension, ORB, Treasury Judgment Fund claims settlements, and other postemployment benefits for retired, terminated, and inactive employees. USDA interprets this limitation to apply to nonreimbursed support received from non-USDA agencies or departments. The Accounting and Auditing Policy Committee will establish a special project to research interentity costs in support of OMB's providing additional guidance in the future.

b. **Non-federal.** Normal direct and indirect business costs related to the production of goods and services, transfers, and grants where resources were acquired from non-federal sources are labeled as “Non-federal” on the supplemental schedules of program cost. Preparers of the Statement of Net Cost and supporting schedules of program costs should consider differentiating the significant costs in order to improve the usefulness of the statements, if the amount of a particular program cost is large or because of its special nature. For example, when reporting on a program that makes transfer payments, it is useful to differentiate between the transfer payments and administrative costs. USDA is differentiating the transfer payments and other program and administrative costs as follows:

(1) **Grants and Transfers.** Payments made by mission programs to individuals, corporations, educational institutions, organizations, and State and local governments, such as grants, indemnities, subsidies, and other benefits or aid. Transfer payments are generally the types of payments covered by budget object classes 41.0 (Grants, subsidies, and contributions) and 42.0 (Insurance claims and indemnities) in OMB Circular A-11, “Preparation and Submission of Budget Estimates.” Administrative costs, including costs that cover State administrative expenses, related to program activities should be reported as other program costs on line 1.b.(3).

(a) **Grants and Payments.** Grants, gratuities, subsidies (other than credit reform), and other aid; contributions, whether in lump sum or as quotas of expenses; taxes that the Federal government has agreed to pay; and payments in lieu of taxes. These costs are reported in budget object class 41.0 Grants, subsidies, and contributions. Examples of USDA grants and payments are the grants and transfer benefits of welfare programs such as Food Stamps and Farm Income Support and research grants awarded by Agricultural Research Service.

(b) **Indemnities.** Payments to veterans and former civilian employees or their survivors for death or disability; payments of claims and judgments arising from court decision or abrogation of contracts; indemnities for the destruction of livestock, crops, and damage to or loss of property; personal injury or death. Indemnities includes payments to or for persons displaced as a result of Federal and federally assisted programs. Indemnities also includes losses made good on Government shipments, and payments made from liquidating accounts on guarantees where no asset is received and where forgiveness is not provided by law. These costs are reported in budget object class 42.0 Insurance claims and indemnities. Examples of USDA indemnity payments are the insurance claims and indemnity costs incurred by the Federal Crop Insurance Corporation.

(c) **Loan Subsidy Costs.** The subsidy expense incurred by credit reform loan programs. Agencies/corporations that have credit reform programs should report the credit reform subsidy costs on this line, such as Commodity Credit Corporation’s credit reform loans and Rural Development’s rural housing, rural utility, and rural business credit reform programs. These costs are reported in budget object class 41.0 Grants, subsidies, and contributions.

(2) **Commodity Inventory Costs**. The sum of program costs incurred by domestic commodity programs such as costs related to commodity inventories: costs of goods sold, storage and transfer, donated commodities, and inventory losses.

(3) **Other Program Costs**. The administrative costs of the USDA mission programs whose transfer payments are reported above, and any other program production costs that are not otherwise accounted. Other program costs include gains and losses on the disposition of assets, if such disposition is a normal aspect of the program.

c. **Total Program Production Costs**. The full costs of program goods and services which are normal and recurring in nature. The sum of lines 1.a. through 1.b.(3).

d. **Less Earned Revenues**. Earned revenues are exchange revenues, which arise when a Federal entity provides goods, services, and things of value to non-federal persons or entities or to another Federal entity for a charge. The full amount of exchange revenues is to be reported on the Statement of Net Cost and supplementary schedules, regardless of whether the entity is permitted to retain the revenues in whole or in part. Any portion of the entity's exchange revenues which cannot be retained by the entity is reported as a transfer-out on the Statement of Changes in Net Position. See chapter 12 for more information on exchange revenues.

Earned revenue should be deducted from the full program production costs related to outputs or outcomes to determine their net production cost unless it is not practical or reasonably possible to do so. If that cannot be done, earned revenue should be deducted from the full program costs to determine the net program costs or, if that is not practical or reasonably possible, from the costs of suborganizations to determine the suborganization's net cost of operations. There are no precise guidelines to determine the degree to which earned revenue can reasonably be attributed to outputs, programs, or suborganizations. The attribution of earned revenues requires the exercise of managerial judgment. In exercising this judgment, it is important to provide readers of the Statement of Net Cost and its footnote supplementary schedules with the ability to ascertain (a) whether exchange revenues are sufficient to cover the costs incurred to produce the goods or services involved, or (b) the costs to taxpayers for having the goods or services provided.

e. **Excess Production Costs Over Revenues**. The difference between program production costs and related exchange revenues. If a program does not earn any exchange revenue, this will be the same as "Total Program Production Costs." The sum of 1.c. (debits) and 1.d. (credits).

f. **Nonproduction Costs**. Costs that are not directly or indirectly related to the production of outputs, that are more closely related to an event than normal operations in the delivery of program, shall be reported separately from costs related to the production of outputs. In addition, costs such as extraordinary items or unusual gains or losses on the disposition of assets shall be reported separately from normal operational program production costs as nonproduction costs.

- (1) Acquisition Cost of Heritage Assets. The cost of acquiring, constructing, improving, reconstructing, or renovating heritage assets.
- (2) Acquisition Cost of Stewardship Land. The acquisition cost of acquiring stewardship land.
- (3) (Gain) or Loss on Disposition of Assets. The gain or loss on the unusual disposition (sale, exchange, casualty, disposal, or retirement) of assets and personal property.
- (4) Other Nonproduction Costs. The nonproduction costs incurred during the reporting period include but are not limited to the following:
- extraordinary items
 - nonrecurring cleanup costs related to stewardship assets
 - other postemployment benefits (OPEB)
 - reorganization costs.
- g. Net Program Costs. The sum of excess production costs over revenues (which may be the same as total program productions costs if a program does not earn revenue) and all the nonproduction costs. The sum of line 1.e. and lines 1.f.(1) through 1.f.(4).
2. Costs Not Assigned to Programs. A reporting entity and its suborganizations may incur (a) high level general management and administrative support costs that cannot be directly traced, assigned on a cause-and-effect basis, or reasonably allocated to segments and their outputs and (b) non-production costs that cannot be assigned to a particular program. These costs are part of the entity and suborganization costs and should be reported on the Statement of Net Cost as "Costs Not Assigned to Programs."
3. Other Earned Revenues Not Attributed to Programs. Earned revenue that is insignificant or cannot be attributed to particular outputs or programs should be reported separately as a deduction in arriving at net cost of operations of the suborganization or reporting entity as a whole.
4. Net Cost of Operations. This is the gross cost incurred by the reporting entity less any exchange revenue earned from its activities. This amount represents the net cost of a suborganization or entity that is funded by sources other than exchange revenues. The financing sources for net cost of operations are reported on the Statement of Changes in Net Position. The sum of lines 1.g., 2., and

Preparers are encouraged to consult the non-authoritative Implementation Guide to Statement of Federal Financial Accounting Standards (SFFAS) Number 7, Accounting for Revenue and Other Financing Sources, which the Federal Accounting Standards Advisory Board (FASAB) issued in conjunction with SFFAS Number 7, for illustrations and explanations designed to assist in understanding and applying the standards for classifying, recognizing, and measuring inflows of resources to the Federal government and its component reporting

entities. It should be noted that OMB's Circular 97-01 "Form and Content of Agency Financial Statements" dated October 16, 1996, and the SFFAS Number 7 Implementation Guide refer to "Intragovernmental" program costs and "Public" program costs as being differentiated based upon the goods and services of a program being provided to other Federal entities or to non-federal parties respectively (i.e., who the customers or beneficiaries are). OMB has acknowledged that systems limitations exist, and at this time agencies are to distinguish intragovernmental or Federal and public or non-federal costs based upon whom the program inputs were acquired from (i.e., who the vendors are). It is the latter differentiation, based upon "G" and "N" indicators in the general ledger and subsidiary systems, that USDA is using in its Consolidating Statement of Net Cost and the related supplemental schedules.

14.9.17 Note 17. Earned Revenue

	Food Nutrition, and Consumer Services	Farm and Foreign Agricultural Services	Natural Resources and Environment	Research, Education, and Economics	Rural Development	Marketing and Regulatory Programs	Food Safety	Other USDA Services	Intra USDA Eliminations	Total
A. Earned Revenues from Non-federal Parties										
1. Loan Program Interest Revenues										
2. Other Program Revenues										
3. Total Earned Revenues from Non-federal Parties										
B. Earned Revenues from Federal Entities										
C. Total Earned Revenues Attributed to Programs										
D. Earned Revenues Not Attributed to Programs										
E. Other Information:										

Instructions:

Each suborganization (responsibility segment) should report earned revenues for the agencies and programs included in their suborganization's schedule in Note 16 Supporting Schedules for the Statement of Net Cost. Earned revenues are reported in two places on the Note 16 supporting schedules: on line 1.d. for earned revenue related to programs, and on line 3 for earned revenue not attributed to programs. The earned revenues related to programs will be broken down into revenues from non-federal and federal sources. Within the non-federal revenues, separate disclosure will be made for lending program interest revenues and earned revenues other than interest revenue related to the suborganization's major programs reported on the Note 16 supporting schedule.

- A. **Earned Revenues from Non-federal Parties.** Earned revenues from transactions with non-federal persons or entities. The following components of non-federal earned revenues are disclosed separately:
1. **Loan Program Interest Revenues.** Interest revenue earned from lending programs.
 2. **Other Program Revenues.** Revenue earned from the major programs disclosed in Note 16 Supporting Schedules for the Statement of Net Cost for the suborganization being reported. The revenue should be listed in total for the major programs reported in Note 16, exclusive of interest revenue from lending programs which is reported in A.1.
 3. **Total Earned Revenues from Non-federal Parties.** The sum of A.1. plus A.2.
- B. **Earned Revenues from Federal Entities.** The total amount of earned revenue from other federal entities. This amount should be net of intra-suborganization eliminations, and should tie to the consolidated column amount on line 1.d. of the suborganization's supporting schedule in Note 16.
- C. **Total Earned Revenues Attributed to Programs.** The sum of A plus B.
- D. **Earned Revenues Not Attributed to Programs.** The total consolidated amount of earned revenues reported on line 3 of the suborganization's Note 16 supplemental schedule.
- E. **Other Information.** Discussion should address significant subprograms within a suborganization's major programs that have exchange transactions with non-federal persons or entities, such as the timber program within the Management of National Forests and Grasslands. For suborganizations with credit reform programs, discussion should include an explanation about the role of interest revenue in the calculation of the loan subsidy costs that are presented as a program cost on line 1.b.(1)(c) on the suborganization's supplemental schedule in Note 16, and there should be a cross-reference to the subsidy expense information presented in Note 1. Additionally, the following should be disclosed in a concise and meaningful manner:

- Discussion about differences in pricing policy from full cost or market pricing guidance in OMB Circular A-25, "User Charges," for exchange transactions with non-federal persons or entities.
- Discussion about exchange transactions with non-federal persons or entities where prices are set by law or executive order and are not based on full cost or on market price.
- Discussion about exchange transactions with other federal entities where goods or services are provided at a price less than full cost or free of charge, with explanations for the difference between the price and full cost. Full cost is defined to include funded and unfunded costs. Usually costs not funded to an entity, such as unfunded pension and other retirement benefits, are not charged to other federal entities. These differences should be discussed.
- Disclosure of the full amount of the expected loss when specific goods are made to order or specific services are provided to order under a contract, and a loss on the contract is probable and measurable.
- The types of earned revenue included in Earned Revenues Not Attributed to Programs should be described. If the amounts are material, information about pricing policy should be discussed similar to the above for program related earned revenues.

14.9.18 Note 18. Total Cost and Earned Revenue by Budget Functional Classification:

Functional Classification	<u>Gross Cost</u>	<u>Intra-USDA Eliminations</u>	<u>Earned Revenue</u>	<u>Intra-USDA Eliminations</u>	<u>Net Cost</u>
Code/Title	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
Code/Title	xx	xx	xx	xx	xx
Code/Title	xx	xx	xx	xx	xx
Internal USDA Imputed Costs Not Recorded in the General Ledger	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx

Intra-governmental Total Cost and Earned Revenue by Budget Functional Classification:

Functional Classification	Gross Cost	Intra-USDA Eliminations	Earned Revenue	Intra-USDA Eliminations	Net Cost
Code/Title	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx
Code/Title	xx	xx	xx	xx	xx
Code/Title	xx	xx	xx	xx	xx
Internal USDA Imputed Costs Not Recorded in the General Ledger	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	\$ xx	\$ xx	\$ xx	\$ xx	\$ xx

Instructions

This footnote will be reported for the USDA consolidated financial statements, and is optional for stand-alone component financial statements. USDA components and mission areas shall complete the footnote template for preparation of the consolidated USDA footnote.

Provide the total cost and earned revenue for each budget functional classification code by subfunction as defined in the Treasury Financial Manual, Transmittal Letter No. 580, Section 4020 (i.e., 351, 352, etc...). The sum of total cost minus earned revenue (net cost) should match the total net cost reported in your mission area Statement of Net Cost.

Imputed costs from outside USDA sources (e.g., Pensions, Judgment Fund payments) will be recorded in the general ledger and reported by Treasury Fund Account Symbol fund groups in FACTS. Other internal USDA imputed costs (e.g., donated commodities from CCC to FNS) may be recorded in the general ledger by TAFS, in which case they can be affiliated with the TAFS' budget functional classification code. The budget functional classification code used for costs on this footnote must match the budget functional classification code reported in FACTS for the same costs.

Imputed costs internal to USDA which are not recorded in the general ledger or FACTS (e.g., Headquarters allocated costs) should be reported on the "Internal USDA Imputed Costs Not Recorded in the General Ledger" line without a corresponding budget functional classification code. These costs will be reconciling items for the FACTS verification process.

Imputed costs internal to USDA, both those recorded in the general ledger which will be transmitted for FACTS, and those not recorded in the general ledger, not transmitted for FACTS, and reported on the line "Internal USDA Imputed Costs Recorded for FACTS" line, should be completely eliminated in consolidation so that the Total line of the Net Cost column ties to the consolidated USDA Net Cost of Operations on the Statement of Net Cost. In other words, the total for the line item in the Net Cost column should be zero.

14.9.19 Note 19. Disclosures Related to the Statement of Changes in Net Position

[illegible]

Prior Period Adjustments

A. Cleanup Cost Adjustments:	
Current Period	\$ xx
Prior Period	<u>xx</u>
Subtotal	xx
B. Other Adjustments:	
1. Description	xx
2. Description	xx
3. Description	<u>xx</u>
C. Total Prior Period Adjustments	<u>\$ xx</u>

Instructions

- A. Cleanup Cost Adjustments.** Provide the offsetting charge for any cleanup cost liability recognized upon implementation of the standard requiring such recognition for current and prior periods. Additional information provided in Chapter 13, Section 13.5.
- B. Other Adjustments.** Provide the amount and detailed description of other prior period adjustments as the result of implementation of new standards.
- C. Total Prior Period Adjustments.** The sum of cleanup cost adjustments and other prior period adjustments. Total Prior Period Adjustments should equal line 5. on the Statement of Changes in Net Position.

14.9.20 Note 20. Disclosures Related to the Statement of Budgetary Resources

A.	Budgetary resources obligated for undelivered orders, end of period	\$ xx
B.	Available borrowing and contract authority, end of period	\$ xx
C.	Narrative description of repayment requirements, financing sources for repayment, and other terms of borrowing authority used.	
D.	Adjustments to budgetary resources available at the beginning of the year	
	1) Description	\$ xx
	2) Description	xx
	3) Description	<u>xx</u>
	Total Adjustments	\$ xx

Narrative description of further explanation of adjustments.

- E.** Narrative description of existence, purpose, and availability of permanent indefinite appropriations.
- F.** Unobligated budget authority is the difference between the obligated balance and the total unexpended balance and represents that portion of the unexpended balance unencumbered by recorded obligations. An appropriation expires on the last day of its period of availability and is no longer available for new obligations. Unobligated balances retain their fiscal-year identity in an “expired account” for that appropriation for

an additional five fiscal years. The unobligated balance remains available to make legitimate obligation adjustments, i.e., to record previously unrecorded obligations and to make upward adjustments in previously obligations which were too low.

Narrative description of additional agency-specific information about legal arrangements affecting the use of unobligated balances of budget authority, such as time limits, purpose, and obligation limitations.

- G. Narrative description of explanations of any differences between the information required by SFFAS No. 7 and the amounts described as "actual" in the Budget of the United States Government for that fiscal year. The prior year's numbers in the President's budget are taken from the Program and Financing (P&F) schedule loaded into the OMB MAX system. The P&F schedule is usually loaded into MAX in December which is after the USDA components and mission areas are supposed to submit their financial statement and footnote templates to NFC. There are edits in MAX that compare the P&F schedules to the year-end SF 133s and FMS 2108s submitted to Treasury, and OMB budget examiners usually insist that agencies correct any inconsistencies in the prior year actual information. Agencies should ensure that their Statement of Budgetary Resources is consistent with the year-end SF 133 and FMS 2108, with auditor approved adjustments if necessary, and work with their budget organizations to ensure that the P&F schedule is also consistent with the year-end SF 133 and FMS 2108.

H. Contributed capital received during the reporting period \$ xx

Instructions

- A. Provide the net amount of budgetary resources obligated for undelivered orders at the end of the period.
- B. Provide the amount of available borrowing and contract authority at the end of the period. This should include borrowing authority of CCC, FSA, and RD.
- C. Describe repayment requirements, financing sources for repayment, and other terms of borrowing authority used. This should include borrowing authority of CCC, FSA, and RD.
- D. Provide the amount(s) of adjustments during the reporting period to budgetary resources available at the beginning of the year and include a brief description per adjustment and an explanation of each adjustment amount.
- E. Describe existence, purpose, and availability of permanent indefinite appropriations.
- F. Describe additional agency-specific information about legal arrangements affecting the use of unobligated balances of budget authority, such as time limits, purpose, and obligation limitations.

G. Describe explanations of any differences between the information required by SFFAS No. 7 and the amounts described as "actual" in the Budget of the United States Government for that fiscal year. This disclosure would be needed in cases where the reporting entity in the financial statements is different than the reporting entity in the Budget.

H. Provide the amount of any contributed capital received during the reporting period.

14.9.21 Note 21. Disclosures Related to the Statement of Financing

Other Resources Used to Fund Items Not Part of the Net Cost of Operations	
1) Description	\$ xx
2) Description	xx
3) Description	<u>xx</u>
Total	\$ xx
Other Net Cost Components Not Requiring or Generating Resources During the Reporting Period	
1) Description	\$ xx
2) Description	xx
3) Description	<u>xx</u>
Total	\$ xx
Provide information that describes or explains the significant amounts disclosed as "Other" in each section of the Statement of Financing.	

14.9.22 Note 22. Disclosures Not Related to a Specific Statement

Custodial Activity

Agencies should use Note 22 if custodial activity is incidental to its primary mission and immaterial in amount. SGL guidance for accounting transactions directs that collections recorded in miscellaneous general fund receipt accounts should be recorded as custodial activity (refer to Exhibit E), and those receipts should be reported in a footnote for custodial activity.

A. Sources of Collections	
1. Description	\$ xx
2. Description	xx
3. Description	<u>xx</u>
Total Revenue Collected	<u>\$ xx</u>
B. Less: Disposition of Collections	
1. Description of Recipients	\$ xx
2. Description of Recipients	xx
3. Description of Recipients	<u>xx</u>
Total Disposition of Revenue	<u>\$ xx</u>
C. Less: Amounts Retained by the Agency	<u>\$ xx</u>
D. Net Custodial Activity	<u>\$ xx</u>
E. Other Information:	

Instructions

- A. Disclose the source of custodial collections and the amounts collected by each source.
- B. Identify the specific recipients to which collections were transferred and the amounts transferred to each recipient. Provide the amounts retained by the agency.
- C. Total revenue collected less total disposition of revenue. The total of the sources of collection section (total revenue collected) should equal the total of the disposition of collections section (total disposition of revenue). The net custodial activity should always be zero.
- D. Other Information. Disclose the program(s) and purpose(s) for which custodial collections were retained by the agency, if applicable.

Dedicated collections

A reporting entity may be responsible for funds financed with dedicated collections that are held for later use to accomplish the fund's purpose. Such funds include all funds within the budget classified as "trust funds," those funds within the budget that are classified as "special funds" but that are similar in nature to trust funds, and those funds within and outside the budget that are fiduciary in nature. The identification of funds that are similar in nature to trust funds is strictly a matter of managerial judgment.

Provide separate financial information about dedicated collections if they are material either to the reporting entity or to the beneficiaries or contributors. Report the following information for individual funds that account for dedicated collections:

- (1) a description of each fund's purpose, how the administrative entity accounts for and reports the fund, and its authority to use those collections
- (2) The sources of revenue or other financing for the period and an explanation of the extent to which they are inflows of resources to the government or the result of intragovernmental flows
- (3) Condensed information about assets and liabilities showing investments in Treasury securities, other assets, liabilities due and payable to beneficiaries, other liabilities, and fund balance
- (4) Condensed information on net cost and changes to fund balance showing revenues by type, program expenses, other expenses, other financing sources, and other changes in fund balance

(5) Any revenues, other financing sources, or cost attributable to the fund under accounting standards, but not legally allowable as credits or charges to the fund

If more than one reporting entity is responsible for carrying out the program financed with dedicated collections, the entity with the largest share of the activity shall be responsible for reporting all revenues, other financing sources, assets, liabilities and costs of the fund (i.e., the Environmental Protection Agency would be responsible for reporting all activity related to the Hazardous Substance Superfund).

Subsequent events

Disclose subsequent events, i.e., events or transactions that occur subsequent to the Balance Sheet date, but prior to the issuance of the financial statements and auditor's report, that have a material effect on the financial statements.

14.10 REQUIRED SUPPLEMENTARY STEWARDSHIP INFORMATION

The Stewardship objective of Federal financial reporting requires reporting on the Federal Government's accountability over certain resources entrusted to it and certain responsibilities assumed by it that cannot be measured in traditional financial reports. Organizations reporting on stewardship information should become familiar with the categories being measured and review the suggested formats in SFFAS No. 8. Because of the unique character of this information, agencies are encouraged to experiment with various narratives, tables and schedules to satisfy the intent of Supplementary Stewardship Reporting.

Information on stewardship definitions, measurement, minimum reporting and implementation guidance is found in SFFAS No. 8, and the USDA Financial Accounting Standards Manual, Chapter 8.

To achieve the objectives of Supplementary Stewardship Reporting for USDA, the stewardship categories have been consolidated into two broad groups. Each group is meant to achieve the objectives of stewardship reporting by providing financial and non-financial data so that the unique characteristics of stewardship can be displayed. In some cases a narrative description using non-financial data presents a better portrayal of accountability and should be the primary disclosure method. The two major groups are as follows:

- Stewardship PP&E
- Stewardship Investments

14.10.1 Stewardship PP&E

Stewardship PP&E is assets whose physical properties resemble those of general PP&E traditionally capitalized in financial statements. However, due to the nature of these assets, (1) valuation would be difficult and (2) matching costs with specific periods would not be meaningful. Yet, the Federal Government should be able to demonstrate accountability over these assets by reporting on their existence and condition. Stewardship PP&E for USDA includes:

- **Heritage assets**, such as Federal monuments and memorials and property having historical, cultural, artistic, or educational significance. Heritage assets are unique and are generally expected to be preserved indefinitely. These assets shall be reported in terms of physical units rather than cost, fair value, or other monetary values.

USDA's heritage assets are as follows, by major classes and base units:

- a) historical structures, in number of structures,
- b) museum collections, in number of collectible items,
- c) national forests, in number of forests, and
- d) other, in number of units.

The FASAB Statement of Recommended Accounting Standards Number 16, Amendments to Accounting for Property Plant & Equipment, dated July, 1999 addresses "multi-use heritage assets," which are heritage assets that have a heritage function but are predominantly used in general government operations. The recommended standard states that the costs of multi-use heritage assets be capitalized as general PP&E and depreciated over its useful life or the period of time it is expected to be used in general government operation, whichever is shorter.

The classification of multi-use heritage assets is based on the predominant use. If the predominant use of the heritage asset is in general government operations, the multi-use asset would be considered general PP&E for capitalization purposes. If the predominant use of the heritage asset is in heritage functions, the multi-use asset would be considered a heritage asset. However, multi-use heritage assets, whether capitalized or expensed, will be displayed as heritage assets in the RSSI.

- **Stewardship land**, -- land (including land rights) that is not acquired for or in connection with general PP&E, such as national forests and other land used for grazing and wildlife. Stewardship land is defined as the solid surface of the earth, excluding natural resources. These assets shall be reported in terms of physical units rather than cost, fair value, or other monetary values.

USDA's classes and base units of stewardship land include:

- a) land, in acres,
 - b) road prisms, in miles,
 - c) trails, in miles, and
 - d) other, in single structure or unit.
- **Federal mission PP&E** such as military weapons systems (this does not apply to USDA).

14.10.2 Reporting Requirements for RSSI

The following table summarizes the minimum reporting required for heritage assets, Federal mission PP&E, and stewardship land.

Stewardship Property Plant & Equipment

INFORMATION REPORTED	HERITAGE ASSETS	STEWARDSHIP LAND
1. Description of Assets	Describe major category 1. Collectible 2. Noncollectible	Describe, by principal organization, significant holdings by category of major use
2. Description of acquisitions and withdrawals	Describe methods of acquisition and withdrawal	Describe methods of acquisition and withdrawal
3. Condition description	Describe overall condition	Describe overall condition
4. Deferred Maintenance	Reference RSI on deferred maintenance, if required	Reference to RSI on deferred maintenance, if required
5. Accounting for physical items or dollars	Account for physical units: Beginning Balance + Additions - Withdrawals = Ending Balance	Account for physical units by major category: Beginning Balance + Additions - Withdrawals = Ending Balance

Notes:

1. Collectible heritage assets include objects gathered and maintained for art, library, and museum collections.
2. Noncollectible heritage assets include buildings, monuments, parks, national forests and other similar assets.
3. USDA determines the materiality of heritage assets for RSSI reporting purposes using the AAPC task force draft paper "Determining Materiality for Stewardship Assets" which can be found on the internet at www.financenet.gov/financenet/fed/aapc/reports.htm.
4. Physical items include, for example, number of items in a collection or acres of land.

5. No amounts of Stewardship PP&E should be reported in the Balance Sheet. Stewardship PP&E removed from the Balance Sheet should be charged to net position as a prior period adjustment. The amounts removed should be included in a note to the Balance Sheet.

14.10.3 Disclosure Requirements for Statement of Net Cost

Recognition & Measurement:

- The cost of acquiring, constructing, improving, reconstructing, or renovating heritage assets, including costs to bring the asset to its current condition and location, shall be recognized as a cost in the Statement of Net Cost in the period when it is incurred.
- The cost of acquiring stewardship land, including any costs to prepare stewardship land for its intended use (e.g., razing a building, shall be recognized as a cost in the Statement of Net Cost in the period when it is incurred.
- If material in amount and the need exists to distinguish such amount from other costs relating to measures of outputs or outcomes, stewardship PP&E should be separately reported on the face of the Statement of Net Cost.
- If immaterial in amount or not needed to distinguish such amount from other costs relating to measures of outputs or outcomes, stewardship PP&E should be disclosed in the accompanying footnote.

Stewardship assets transferred:

- No cost shall be recognized on the Statement of Net Cost for stewardship assets acquired through transfer from other Federal agencies, donation, or devise (will).
- The fair value of the asset, if known and material, shall be disclosed in a note to the Statement of Net Cost in the year received.
- If the fair value is not known or reasonable estimable, information related to the type and quantity of the asset received shall be disclosed.

14.10.4 Stewardship Investments

Stewardship investments are substantial investments made by the Federal Government for the benefit of the nation. When incurred, they are treated as expenses in determining the net cost of operations. However, these items merit special treatment so that readers of Federal financial reports know the extent of investments that are made for long-term benefit. Such investments should be measured in terms of expenses incurred for:

- Federally-financed but not federally-owned physical property (Non-Federal Physical Property)
- Certain education and training programs (Human Capital)
- Federally-financed research and development (Research and Development)

Non-Federal Physical Property. Non-Federal physical property investments are expenses included in the calculation of net cost incurred by the Federal Government for the purchase, construction or major renovation of physical property owned by State and local governments. Examples are Highways and Bridges.

Human Capital. Human capital investments are expenses included in net cost for education and training programs that are intended to increase or maintain national economic productive capacity and that produce outputs and outcomes that provide evidence of maintaining or increasing national productive capacity. The definition excludes education and training expenses for Federal civilian and military personnel. Examples are Job Training Programs and Grants for Higher Education.

Continued categorization of human capital expenses as investment for stewardship purposes is predicated on demonstrated outputs and outcomes consistent with the intent of the program. SFFAS No.8 describes the criteria which shall be met for these expenses to continue to be categorized as stewardship investments. Outcome and output measures that are used to justify continued treatment of expenses as stewardship investments should be clearly identified in the agency's financial statement, and the relationship of the outcomes and outputs to the stewardship investments should be readily apparent.

Research and Development. Research and development investments are expenses included in the calculation of net costs incurred to support the search for new or refined knowledge and ideas and for the application or use of such knowledge and ideas for the development of new or improved products and processes with the expectation of maintaining or increasing national economic productive capacity or yielding other future benefits. Examples include Basic Research, Applied Research, and Development (such as research on genetic codes).

Continued categorization of research and development expenses as investment for stewardship purposes is predicated on demonstrated outputs and outcomes consistent with the intent of the program. SFFAS No. 8 describes the criteria which shall be met for these expenses to continue to be categorized as stewardship investments. Outcome and output measures that are used to justify continued treatment of expenses as stewardship investments should be clearly identified in the agency's financial statement, and the relationship of the outcomes and outputs to the stewardship investments should be readily apparent.

Expenses incurred for stewardship investment contracts, grants, and program costs with split purpose shall be reported on the basis of allocation.

The following table summarizes the minimum reporting required for stewardship investments.

14.10.5 Reporting Requirements for Stewardship Investments

Human Capital. Federal investment for human capital comprises those expenses for education and training programs for the general public that are intended to increase or maintain national economic productive capacity. It does not include expenses for internal Federal education and training.

A. Name of Major Program.				
B. Program Expense	<u>2000</u>	<u>xxxx</u>	<u>xxxx</u>	<u>xxxx</u>
1. (Description)	\$ xx	\$ xx	\$ xx	\$ xx
2. (Description)	xx	xx	xx	xx
3. (Description)	xx	xx	xx	xx
4. (Description)	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	\$ xx	\$ xx	\$ xx	\$ xx
C. Additional Information:				

Instructions.

- A. Report human capital stewardship information by agency within each mission area. Prepare a chart for each major program. These should include the major program(s) reflected in the USDA Consolidated Financial Statements. Agencies may report at a lower program level for individual Agency Financial Statements.
- B. List the type/nature of expense (e.g., counseling; education; administration), and include the annual investment made in the year ended as well as in each of the four preceding years. For FY 2000, report stewardship investments made during FY 2000. For subsequent years, report stewardship investments for each year in which such investments were covered by audit until five years of such data is available. Beginning in FY 2002, report stewardship investments for 2002 and the preceding four years.
- C. Include a narrative description of major education and training programs considered Federal investments in human capital.

By no later than the third year after the effective date of this standard, managers of the investment program should be able to provide information on the outcomes for the programs for which the investments are reported. If outcome data are not available (e.g., the agency has not agreed on outcome measures for the program, the agency is unable to collect reliable outcome data or the outcomes will not occur for several years), output data that best provide indications of the intended program outcomes shall be used to justify continued treatment of expenses as investments until outcome data are available.

The human capital outputs and outcomes should be the same as those measured for the Government Performance and Results Act (GPRA) and the budget.

Research and Development. Federal investment in research and development comprises those expenses for basic research, applied research, and development that are intended to increase or maintain national economic productive capacity or yield other benefits.

A. Name of Major Program.				
B. Program Expense	<u>2000</u>	<u>xxxx</u>	<u>xxxx</u>	<u>xxxx</u>
1. (Description)	\$ xx	\$ xx	\$ xx	\$ xx
2. (Description)	xx	xx	xx	xx
3. (Description)	xx	xx	xx	xx
4. (Description)	xx	xx	xx	xx
Total	\$ xx	\$ xx	\$ xx	\$ xx
C. Additional Information:				

Instructions.

- A. Report research and development stewardship information by agency within each mission area. Prepare a chart for each major program. These should include the major program(s) reflected in the USDA Consolidated Financial Statements. Agencies may report at a lower program level for individual Agency Financial Statements.
- B. List the type/nature of expense (e.g., counseling; education; administration), and include the annual investment made in the year ended as well as in each of the four preceding years. For 2000, report only stewardship investments made during FY 2000. For subsequent years, report stewardship investments for each year in which such investments were covered by audit until five years of such data is available. Beginning in FY 2002, report stewardship investments for 2002 and the preceding four years.
- C. Include a narrative description of major research and development programs.

By no later than the third year after the effective date of SFFAS 8, managers of the investment program should be able to provide information on the outcomes for the programs for which the investments are reported. If outcome data are not available (e.g., the agency has not agreed on outcome measures for the program, the agency is unable to collect reliable outcome data or the outcomes will not occur for several years), output data that best provide indications of the intended program outcomes shall be used to justify continued treatment of expenses as investments until outcome data are available.

Non-federal Physical Property. Federal investments in non-federal physical property comprise those expenses for the purchase, construction, and major renovation of physical property owned by State and local governments.

A. Name of Major Program.				
B. Program Expense	<u>2000</u>	<u>xxxx</u>	<u>xxxx</u>	<u>xxxx</u>
1. (Description)	\$ xx	\$ xx	\$ xx	\$ xx
2. (Description)	xx	xx	xx	xx
3. (Description)	xx	xx	xx	xx
4. (Description)	<u>xx</u>	<u>xx</u>	<u>xx</u>	<u>xx</u>
Total	\$ xx	\$ xx	\$ xx	\$ xx
C. Additional Information:				

Instructions.

- A. Report non-federal physical property stewardship information by agency within each mission area. Report at a meaningful category or level (e.g., transportation; natural resources and environment; community and regional development). These should include the major program(s) reflected in the USDA Consolidated Financial Statements. Agencies may report at a lower program level for individual Agency Financial Statements.
- B. List the type/nature of expense (e.g., counseling; education; administration), and include the annual investment made in the year ended as well as in each of the four preceding years. For FY 2000, report only stewardship investments made during FY 2000. For subsequent years, report stewardship investments for each year in which such investments were covered by audit until five years of such data is available. Beginning in FY 2002, report stewardship investments for 2002 and the preceding four years.
- C. Include a description of federally owned physical property transferred to State and local governments. Also include a description of major programs involving Federal investments in non-federal physical property, including a description of programs or policies under which non-cash assets are transferred to State and local governments.

14.11 REQUIRED SUPPLEMENTARY INFORMATION

14.11.1 Statement of Budgetary Resources

Monitoring of budget execution is at the individual account level. Accordingly, budgetary information aggregated for purposes of the Statement of Budgetary Resources should be disaggregated for each of the reporting entity's major budget accounts and presented as supplementary information below:

Reporting Entity					
	Major Budget Account 1	Major Budget Account 2			2000
1. Budgetary Resources:					
a. Budget authority (line 1)	\$ xxx	\$ xxx	\$ xxx	\$(xxx)	\$ xxx
b. Unobligated balances - beginning of period (line 2)	xxx	xxx	xxx	(xxx)	xxx
c. Spending authority from offsetting collections (line 3)	xxx	xxx	xxx	(xxx)	xxx
d. Adjustments (lines 4-6)	xxx	xxx	xxx	(xxx)	xxx
e. Total budgetary resources (line 7)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>(xxx)</u>	<u>xxx</u>
2. Status of Budgetary Resources:					
a. Obligations incurred (line 8)	xxx	xxx	xxx	(xxx)	xxx
b. Unobligated balances-available (line 9)	xxx	xxx	xxx	(xxx)	xxx
c. Unobligated balances-not available (line 10)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>(xxx)</u>	<u>xxx</u>
d. Total, status of budgetary resources (line 11)	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>(xxx)</u>	<u>xxx</u>
3. Outlays:					
a. Obligations incurred (line 8)	xxx	xxx	xxx	(xxx)	xxx
b. Less: actual spending authority from offsetting collections and actual adjustments (lines 3A, B, D, & 4A)	(xxx)	(xxx)	(xxx)	xxx	(xxx)
c. Obligated balance, net - beginning of period (line 12)	xxx	xxx	xxx	(xxx)	xxx
d. Obligated balance transferred, net (line 13)	xxx	xxx	xxx	(xxx)	xxx
e. Less: obligated balance, net - end of period (line 14)	<u>(xxx)</u>	<u>(xxx)</u>	<u>(xxx)</u>	<u>xxx</u>	<u>(xxx)</u>
f. Total outlays (line 15)	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ xxx</u>	<u>\$ (xxx)</u>	<u>\$ xxx</u>

The following six reporting entities should present as required supplementary information their major budget accounts as listed on the chart below:

- Commodity Credit Corporation (CCC)
- Federal Crop Insurance Corporation (FCIC)
- Food and Nutrition Service (FNS)
- Forest Service (FS)
- Farm Service Agency (FSA)
- Rural Development (RD)

Reporting Entity	Major Budget Account 1	Major Budget Account 2	Major Budget Account 3	Major Budget Account 4	Major Budget Account 5	Major Budget Account 6	Major Budget Account 7	Major Budget Account 8
CCC	CCC's Revolving Fund	P.L. 480 Programs	Export Credit Guarantee Programs	Other Programs				
FCIC	Crop Insurance							
FNS	Child Nutrition Programs	Commodity Assistance Program	Food Donations	Food Program Administration	Food Stamp Program	Special Supplemental Nutrition Program for Women, Infants, & Children		
FS	National Forest System	Forest Research	State and Private Forestry	Wild land Fire Management	Construction / Reconstruction	Land Acquisition		
FSA	Farm Loans	Other Programs						
RD	Rural Community Advancement Program	Rural Electrification & Tele-Communication Funds	Rural Tele-Phone Bank Funds	Rural Housing Funds	Rental Assistance Programs	Rural Housing Grants	Salaries & Expense	Other

The required supplementary information for the USDA Consolidated Statement of Budgetary Resources will be disaggregated by mission area. Since the Statement of Budgetary Resources is being presented on a combined basis for FY 2000, no eliminations between mission areas will be shown. Mission areas will submit templates to NFC for the Statement of Budgetary Resources disaggregated by the major budgetary accounts. The same template submitted by the mission areas will satisfy preparation of the combined USDA Statement of Budgetary Resources as well as the information for disaggregation of major budgetary accounts in the Required Supplementary Information.

14.11.2 Segment Information

Each franchise fund and other intragovernmental support revolving fund that is not separately reported on the entity's principal statements shall report the following supplementary information to OCFO via template:

- Condensed information about assets, liabilities, and net position showing, as of the reporting date, (1) fund balance, (2) accounts receivable, (3) PP&E, (4) other assets, (5) liabilities due and payable for goods and services received, (6) deferred revenues, (7) other liabilities, and (8) cumulative results of operations.

All franchise funds and other intragovernmental support revolving funds shall report the following supplementary information:

- A brief description of the services provided by the fund and the identity of the fund's major customers (major customers are organizations that account for more than 15 percent of the fund's revenues), and
- A summary, for the reporting period, by product or line of business of (1) the full cost of goods and services provided, (2) the related exchange revenues, and (3) the excess of costs over exchange revenues.

14.11.3 Deferred Maintenance

Asset Class	Overall Condition of Asset Class	Cost to Return to Acceptable Condition	Critical Maintenance	Noncritical Maintenance
General PP&E				
Buildings				
Dam Systems				
Developed Sites				
Roads and Bridges				
ADP Hardware and Equipment				
Vehicles				
Other				
Total Deferred Maintenance on General PP&E				
Stewardship Land				
Trails				
Heritage Assets				
Historic Structures				
Total Deferred Maintenance				

Instructions

Report the overall condition of each asset class for general PP&E, stewardship land, and heritage assets. The conditions are rated as:

- 1 - Excellent
- 2 - Good
- 3 - Fair (Acceptable)
- 4 - Poor
- 5 - Very Poor

Report the cost to return the asset class to an acceptable condition, and report separately the portion of that cost that is deemed to be critical maintenance versus the portion that is deemed by management to be noncritical. Discuss in narrative the method for measuring deferred maintenance for each class of asset, whether a condition assessment survey is used or the total life cycle cost method. Disclose in narrative management's definition of critical versus noncritical maintenance.

14.11.4 Intragovernmental Balances

**RSI Intragovernmental Assets, Liabilities, Earned Revenue with Related Costs,
and Nonexchange Revenue**
Fiscal Year 2000
Agency:
Intragovernmental Assets:

USDA				
Line	Line	Department	Amount	
No.	Title	Outside USDA	(in Dollars)	
1a(1)	Fund Balance with Treasury:			
1a(2)	Investments:	Department of Treasury		
	Total Investments	Department of Treasury	0	
1a(3)	Accounts Receivable, Net:			
	Total A/R, Net		0	
1a(4)	Other Assets:			
	Total Other Assets		0	
2a(1)	Fund Balance with Treasury (NE):			
2a(2)	Accounts Receivable, Net (NE):			
	Total A/R, Net (NE)		0	
2a(3)	Other Assets (NE):			
	Total Other Assets (NE)		0	

Intragovernmental Liabilities			
USDA Line No.	Line Title	Department Outside USDA	Amount (in Dollars)
4a(1)	Accounts Payable:		
	Total A/P		0
4a(2)	Debt:		
	Total Debt	Department of Treasury	0
4a(3)	Liabilities for Environmental Clean up Costs:		
	Total Environmental Cleanup Liab		0
4a(4)	Resources Payable to Treasury:		
		Department of Treasury	
4a(5)	Other Liabilities:		
	Total Other Liabilities		0
5a(1)	Accounts Payable (NC):		
	Total A/P (NC)		0
5a(2)	Debt (NC):		
	Total Debt (NC)		0
5a(3)	Liabilities for Environmental Cleanup Costs (NC):		
	Total Environmental Cleanup Liab		0
5a(4)	Accrued FECA Bills (NC):		
		Department of Labor	
5a(5)	Other Liabilities (NC):		
	Total Other Liabilities (NC)		0

Intragovernmental Nonexchange Revenue (Transfers In/Out)		
	Department Outside USDA	Transfers-In (in Dollars)
Total		0

Intragovernmental Earned Revenues and Related Costs		
<i>Earned Revenue:</i>		
	Department Outside USDA	Earned Revenue (in Dollars)
Total		0

<i>Gross Cost to Generate Revenue:</i>		
Budget Functional Classification	Gross Cost to Generate Revenue (in Dollars)	
Total		0

Instructions for Intra governmental Assets, Liabilities, Earned Revenue with related Expenses, and Nonexchange Revenue

The amendment to OMB Circular 97-01, dated January 2000, requires departments to report, as required supplementary information, intra governmental amounts for assets, liabilities, nonexchange revenue, and earned revenue from trade (buy/sell) transactions along with the gross cost to generate such revenue. Specifically, departments must report intra

governmental assets, liabilities, earned revenue from trade transactions, and nonexchange revenue, by trading partner. In addition, departments must report intra governmental gross cost to generate earned revenue from trade transactions by budget functional classification (BFC). **Intra governmental asset and liability categories reported as RSI should agree with Federal line items reported on the balance sheet.**

Both Stand-alone and nonstand-alone (FFIS and non FFIS) agencies will submit templates of the RSI intra governmental balance information for preparation of the USDA consolidated RSI intra governmental balances. An example of the RSI intra governmental template is displayed above.

Completed templates should be sent via e-mail to **Bblackwell@cfo.usda.gov** by no later than Friday, December 15. Below are detailed instructions for completing the intra governmental RSI template.

I. Intra governmental Assets and Liabilities

This section is used to report federal asset and liability balances, net of activity within USDA, by trading partner. Only those trading partners outside of USDA should be reported. Intragovernmental assets and liabilities reported on this template should tie to the balance sheet totals for the appropriate Federal asset and liability balance sheet line items.

- Enter the agency name at the top of the spreadsheet (Agency: XXXXX).
- For each financial statement line item, fill in the columns for the partner agencies (Department Outside USDA) and the related amounts. For example, if your agency reported \$15,000,000 in Federal Accounts Receivable in its balance sheet, and \$10,000,000 represents activity with Department of Interior, \$2,000,000 represents activity with Department of Commerce, and \$3,000,000 represents activity with another USDA agency, you would make the following entries for line 1a(3), Accounts Receivable:

<u>Department Outside USDA</u>	<u>Amount (in Dollars)</u>
Department of Interior	\$10,000,000
Department of Commerce	\$2,000,000

You can insert rows for each line item if you need more space.

Note: The (NE) next to lines 2a(1), 2a(2), and 2a(3) stands for Non Entity. The (NC) next to lines 5a(1), 5a(2), 5a(3), 5a(4), and 5a(5) stands for Not Covered by Budgetary Resources.

II. Intra governmental Non-exchange Revenue (Transfers In/Out)

- Enter, by trading partner, intra governmental non-exchange revenues transferred in and out.

III. Intra governmental Earned Revenues and Related Costs

Report intragovernmental earned (exchange) revenues recognized from federal agencies outside USDA. Earned revenues should be reported separately by subfunction for each budget functional classification code as defined in the Treasury Financial Manual, Transmittal Letter 586, Subsection 4020, Appendix 3. Report the total cost of providing the goods, services, and other transactions which generated the revenue. Total cost is not the same as full cost defined in SFFAS Number 4, *Managerial Concepts and Standards for the Federal Government*, because it does not include imputed costs. It is the costs that could be charged to a trading partner under existing legislation and authoritative guidance.

Section 1, Earned Revenue

- In the first column, enter the department(s) outside of USDA from which your agency earned revenue.
- In the second column, enter the respective amounts of revenue earned from the trading partner agency.

Section 2, Related Expenses

This section is used to report, by BFC, the expenses incurred in earning the revenue reported in section 1, above.

- In the first column, enter the BFC(s) applicable to the costs to generate the earned revenue.
- In the second column, enter the amount of gross costs incurred to generate the revenue.

Agencies are required to confirm balances with the Bureau of Public Debt (BPD), the Federal Financing Board (FFB), the Office of Personnel Management (OPM), and the Department of Labor (DOL) per I TFM 2-4000. Refer to instructions referenced in Chapter 13, Exhibit E, "Intra governmental Fiduciary Transactions Accounting Guide." In addition, agencies must confirm and reconcile all FY 2000 intra governmental asset, liability, and revenue balances with trading partners. Refer to Treasury's *Federal Intra governmental Transactions Accounting Policies and Procedures Guide* for specific requirements.

14.12 OTHER ACCOMPANYING INFORMATION

14.12.1 Performance Measures

The performance measures presented in the overview should relate to the programs' purposes and goals, be consistent with measures previously included in budget documents and other materials related to implementation of the GPRA, and linked to the programs presented in the Statement of Net Cost. The measures in the overview should be limited to the entity's most significant program and financial measures. Additional measures should be presented

as “Other Accompanying Information.” Management’s display of performance information should include sufficient explanatory information that would help readers understand the significance of the measures, the results, and any deviations from goals or plans.

14.12.2 Revenue Foregone

If the entity discloses differences between the prices it charges in exchange transactions and full cost or market price, it should provide an estimate of the amount of revenue forgone and should explain whether, and to what extent, the quantity demanded was assumed to change as a result of a difference in price.

14.13 WHERE TO DIRECT QUESTIONS AND COMMENTS

Questions concerning the policies and procedures in this chapter should be directed to the Office of the Chief Financial Officer (OCFO); Financial Systems, Reporting, and Analysis Division on (202) 720-5026.

EXHIBIT A: PERFORMANCE MEASURE AND INFORMATION CONTACT

*U.S. Department of Agriculture
Management's Discussion and Analysis
Fiscal Year 2000*

Mission Area or Agency

1. Mission Area or
Agency Name

Workgroup Member Information

2. Contact
Name

3.
Phone

4. E-Mail
Address

5.
Fax

Performance Measure Information and Contact

Performance Measure Title or
Description

USDA Consolidated Goal Reference and Subreference Number (e.g., Goal1.2)

Name or Title of Report or Data Source
for Performance Measure, Including
Report and Page Numbers, Location, etc.
(Please be specific.)

Person Responsible for Maintaining
Supporting Documentation:

d1. Name

d2. Phone

d3. Fax

d4. E-Mail
Address

*Has the person responsible for maintaining the supporting documentation been
informed of their responsibility to maintain the supporting documentation for 18
months after the fiscal year end.*

☐ Yes ☐ No

EXHIBIT A (cont.)*Performance Measure Information and Contact*Performance Measure Title or
Description

--

USDA Consolidated Goal Reference and Subreference Number (e.g.,
Goal 1.2)

--

c. Name or Title of Report or Data
Source for Performance Measure,
Including Report and Page Numbers,
Location, etc. *(Please be specific.)*

--

d. Person Responsible for Maintaining
Supporting Documentation:

d1. Name

--

d2. Phone

--

d3. Fax

--

d4. E-Mail
Address

--

*Has the person responsible for maintaining the supporting documentation been
informed of their responsibility to maintain the supporting documentation for 18
months after the fiscal year end.*

☐ Yes ☐ No

Send a copy of the completed form by facsimile to:

Office of the Chief Financial Officer
Facsimile number: (202)720-5679**DUE DATE: December 18, 2000***Retain original at agency and submit copy to OCFO*

EXHIBIT B: CHECKLIST FOR THE STATEMENT OF NET COSTStatement of Net Cost (USDA departmentwide and individual USDA reporting entities)

1. **Accrual Basis** - Recognition of costs and exchange revenue is on an accrual basis. For example, advance payments for goods or services not yet received should be recorded as prepaid assets; and unbilled revenue should be accrued.
2. **Responsibility Segments** - An agency's costs are reported on the Statement of Net Cost associated with responsibility segments. A responsibility segment is a major component of the agency/corporation that carries out a mission, conducts a major line of business, or produces related products or services. Cost accounting is performed for responsibility segments to calculate the costs of their programs and outputs. Administrative or general management organizational units are not responsibility segments; their costs are distributed to the responsibility segments. Exchange revenues, gains and losses, and full costs are to be accumulated by responsibility segments and reported in the agency/corporation's or mission area's Statement of Net Cost. (See FASM Chapter 5 for discussion about responsibility segments). Mission areas have been identified as the responsibility segments to be reported in the USDA Consolidating Statement of Net Cost.
3. **Program Costs and Revenue** - Exchange revenues, gains and losses, and full costs are accumulated and reported by major programs within responsibility segments in a reporting entity's Statement of Net Cost. As much as possible, reporting entities should determine the major programs to report in light of their GPRA strategic plan goals and objectives. The programs to be reported by the mission areas for the USDA Consolidating Statement of Net Cost are identified in Chapter 13 Form and Content of the FASM.

The program costs reported are the direct costs that can be traced to the program, and the indirect costs distributed to the program. In textbook terminology, costs are "fully burdened" or "full absorption." Identifying whether costs were incurred in support of your agency's program versus in support of someone else's program is based upon the founding legislation and mission of your agency and its goals and objectives. Sometimes the situation is not clear-cut. For example, Forest Service (FS) incurs nonreimbursed costs for fighting fires on National Park Service (NPS) or Bureau of Land Management (BLM) land. Because there is an interagency agreement among the three agencies that they will pay their own costs when called upon for assistance, no matter whose land the fire crosses onto, fighting the fire on NPS or BLM land is considered to be an aspect of FS's own firefighting program. If the determination was made that FS was incurring costs in support of NPS or BLM's program, FS would still report the costs on their Statement of Net Cost but categorize the costs as part of "other programs" and not part of their own firefighting program.

4. **Federal v. Non-federal Input Costs** - Costs are accumulated and reported separately for goods and services received from other Federal organizations (federal costs) versus those received from non-federal individuals and organizations (non-federal costs). Program costs are reported as federal versus non-federal based upon the identification of the provider (vendor) of the goods or services. Usually these input costs are differentiated by "G" and

“N” indicators on the SGL, which designate whether a vendor or customer was Federal Government or Non-federal respectively. The “G” and “N” indicators facilitate eliminations for the consolidated Governmentwide financial statements.

- 5. Production v. Nonproduction Program Costs** - Program costs are accumulated separately for “production” versus “nonproduction” costs. Differentiating these costs facilitates presentation of normal program business costs to compare to the revenues the program earned, and highlights the program’s net cost that is ultimately borne by the taxpayer. In addition to nonproduction costs, USDA is also isolating unusual costs such as extraordinary items from production costs in its consolidating Department Statement of Net Cost.

a) **Production Costs** - Inputs and support used in normal business activities, on a direct or indirect basis, to produce activities, goods or services or to perform normal operational activities in the current period. Production costs are not limited to “factory” type costs, but include general and administrative activities and general management costs in addition to direct program costs. Production costs include imputed costs as well as costs actually funded to the reporting agency.

b) **Nonproduction Costs** - Costs linked to events rather than to the production and delivery of goods and services or the performance of normal operational activities in the current period. Examples include but are not limited to the acquisition costs of stewardship land and heritage assets, which are expensed when incurred; other postemployment benefits (OPEB) that are expensed when the OPEB event occurs; reorganization costs; cleanup costs related to acquisition of stewardship assets that are expensed when the asset is acquired, extraordinary items, and the unusual disposition of an asset.

- 6. Grants and Transfers** - Costs are reported separately on the Statement of Net Cost for the payments made to individuals, corporations, educational institutions, non-federal organizations, and State and local governments such as grants, indemnities, subsidies, and other benefits or aid. Transfer payments are generally the types of payments covered by Object Classes 41.0 (grants, subsidies, and contributions) and 42.0 (insurance claims and indemnities) in OMB Circular No. A-11 “Preparation and Submission of Budget Estimates.” USDA is reporting the following types of payments and transfers in its consolidating Statement of Net Cost:

a) **Grants and Payments** - Grants, gratuities, subsidies (other than credit reform), and other aid; contributions, whether in lump sum or as quotas of expenses; taxes that the Federal government has agreed to pay; and payments in lieu of taxes. These costs are reported in budget object class 41.0 Grants, subsidies, and contributions. Examples of USDA grants and payments are the grants and transfer benefits of welfare programs such as the Food Stamps and Farm Income Support and the research grants awarded by Agricultural Research Service.

- b) **Indemnities** - Payments to veterans and former civilian employees or their survivors for death or disability; payments of claims and judgments arising from court decision or abrogation of contracts; indemnities for the destruction of livestock, crops, and damage to or loss of property; personal injury or death. Includes payments to or for persons displaced as a result of Federal and federally assisted programs. Includes losses made good on Government shipments, and payments made from liquidating accounts on guarantees where no asset is received and where forgiveness is not provided by law. These costs are reported in budget object class 42.0 Insurance claims and indemnities. Examples of USDA indemnity payments are the insurance claims and indemnity costs incurred by the Federal Crop Insurance Corporation.
- c) **Loan Subsidy Costs** - The subsidy expense incurred by credit reform loan programs. Agencies/corporations that have credit reform programs should report the credit reform subsidy costs on this line, such as Commodity Credit Corporation's credit reform loans and Rural Development's rural housing, rural utility, and rural business credit reform programs. These costs are reported in budget object class 41.0 Grants, subsidies, and contributions.
7. **Exchange Revenue** - Exchange revenue arises from exchange transactions, where each party to the transaction receives and gives up something of value. Another term for exchange revenue is "earned revenue." Revenue from exchange transactions is recognized when goods, services, or other things of value are provided to non-federal parties or another federal government entity at a price and is reported on the Statement of Net Cost in order to match the costs and the revenue from the exchange transactions. It is reported as earned revenue on the Statement of Net Cost regardless whether the receiving entity retains the revenue for its own use or transfers it to other entities or to Treasury. Exchange revenue that is turned over to Treasury or another Government entity is reported as a "transfer-out" on the Statement of Changes in Net Position.

Exchange revenue is distinguished from nonexchange revenue that arises primarily from the Government's power to demand payments from the public (e.g., taxes, duties, fines, and penalties), or from a donation to the Government. Exchange revenue is also distinguished from financing sources, such as appropriations. Nonexchange revenue and other sources of financing are reported on the Statement of Changes in Net Position.

Exchange revenue includes most user charges other than taxes. It includes regulatory user charges, in which the exchange is not wholly voluntary but the revenue is generally related to the cost of providing the service to identifiable groups (e.g., APHIS' inspection fees). Exchange revenue also includes full or partial reimbursement for the costs incurred in intragovernmental transactions. The full amount of exchange revenue is matched with the full cost of outputs of goods and services on the Statement of Net Cost to enable the entity to report the cost to the taxpayer of the Government's programs for the benefit of the public. (For a full discussion of exchange revenue, nonexchange revenue, and other financing sources refer to Chapter 12 of the FASM.)

Exchange revenue also includes miscellaneous receipts, if they qualify as exchange revenue because the Government has provided something of value. If the miscellaneous receipts relate to a program separately reported on the statement or its supplementary schedule, it should be reported as earned revenue deducted from the gross costs of the program. If the miscellaneous receipts are for minor programs such as FOIA requests, they can be reported either as “earned revenues not attributed to programs” under a responsibility segment or as program earned revenue under a responsibility segment titled something like “Other Programs and Services.”

Exchange revenue does not involve the mere recovery of costs unless the entity receiving the pass-through payment has added value to create the inflow of resources. Examples of pass-through reimbursements where the agency receiving payment has added no value are reimbursed rent and the reimbursement of salary and benefits of an employee on detail where the paying agency uses the employee as an addition to its staff rather than having negotiated for a particular service to be provided. Recovery-of-cost transactions are treated as offsets against the original cost. (See FASM, 12.5.1.1.)

8. **Gains or Losses** - Gains or losses on the exchange or sale of an asset other than inventory that are usual and related to ordinary program activities are reported on the Statement of Net Cost as part of program production costs. If the gains or losses are from unusual or infrequent transactions, not related to ordinary program activities but still able to be associated with a particular program, they should be reported under Nonproduction Costs on the Statement of Net Cost. If the gains or losses cannot be associated with a particular program, they can be reported as responsibility segment costs not associated with programs.
9. **Costs Not Assigned to Programs** - Costs that cannot be directly traced, assigned on a cause-and-effect basis, or reasonably allocated to programs may be reported for a responsibility segment as “costs not assigned to programs.” These costs may be nonproduction costs or high-level general management costs. This category should not be a convenient catchall; serious effort should be made to associate both direct and indirect costs to programs wherever possible and economically feasible.
10. **Accumulate and Report “Full Cost” Information** (refer to Chapter 5 of the FASM for a comprehensive discussion of full cost) - Full cost includes costs that are currently, past, or future funded to the reporting agency/corporation as well as costs that are funded to someone else. Refer to attached “USDA Definition of Full Costs for Different Reporting Situations,” Statement of Net Cost column, for the specific costs that should be reported in the Statement of Net Cost.

EXHIBIT C: EXAMPLE OF IMPUTED COSTS**Departmental Overhead Costs Distributed to Mission Areas and Agencies/Corporations**

Assume: 1) The USDA Departmental Offices (appropriated, not WCF) incur \$950 of cost, and \$50 of imputed cost for unfunded pension. Their entry:

DR 6100N Operating Expenses	950
DR 6730G Imputed Cost	50
CR 5700 Appropriations Used	950
CR 5780G Imputed Financing Source	50

2) All of the Departmental Office costs, including the imputed pension, are distributed for cost accounting purposes to the mission areas and agencies. They plan to report 100% of it as part of their program costs. The agencies/mission areas record on their books (or handle as a memo entry):

DR 6730G Imputed Costs in FY99	1000
CR 5780G Imputed Financing Source	1000

When the Statement of Net Cost for USDA is prepared, the costs of the Departmental Offices will be presented under the responsibility segment “Other USDA Services”, along with WCF. The costs of the agencies and mission areas will be presented under their respective responsibility segment, in this case referred to as “Mission Area.”

The eliminating entry that takes place is to reverse or cancel the imputed costs and related imputed financing source that the agencies and mission areas recorded or reflected in the statements as their share of the distributed departmental office overhead costs. The eliminating entry is:

DR 5780G Imputed Financing Source (Statement of Financing and Statement of Changes in Net Position)	1000
CR 6730G Imputed Costs (Statement of Net Cost)	1000

The consolidating USDA Statement of Net Cost would be presented as:

	<u>Mission Area</u>	<u>Other USDA Services</u>	<u>Intra-USDA Eliminations</u>	<u>Total</u>
COSTS: (Note 16)				
Program Costs:				
Federal	\$1000	\$	\$ (1000)	\$ 0
Non-federal:				
Grants and Transfers				
Other Program Costs	—	<u>1,000</u>		<u>1,000</u>
Total Program Production Costs			<u>(1,000)</u>	<u>0</u>
Less Earned Revenues (Note 17)	<u>()</u>	<u>()</u>		<u>()</u>
Excess Costs Over Revenues	<u>1,000</u>	<u>1,000</u>	<u>(1,000)</u>	<u>1,000</u>
Nonproduction Costs:				
Acquisition Cost of Heritage Assets				
Acquisition Cost of Stewardship Land				
Gain or (Loss) on Disposition of Assets				
Other Nonproduction Costs				
Net Program Costs	<u>1,000</u>	<u>1,000</u>	<u>(1,000)</u>	<u>1,000</u>
Costs Not Assigned to Programs				
Less Other Earned Revenues Not Attributed to Programs	<u>()</u>	<u>()</u>		<u>()</u>
NET COST OF OPERATIONS	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$(1,000)</u>	<u>\$ 1,000</u>

The consolidated USDA Statement of Financing would be developed as follows (note - USDA is reporting a combined not consolidated statement of financing for FY 2000):

	<u>Mission Areas</u>	<u>Other USDA Services</u>	<u>Intra-USDA Eliminations</u>	<u>Total</u>
Resources Used to Finance Operations				
Budgetary				
Budgetary Res. Oblig. - Items Received/Provided to Others=		950		950
Less: Offsetting Collections, Recoveries PY, Changes in UCO				
Net Budgetary Resources Used to Finance Operations				
Nonbudgetary				
Property Received from Others w/o Reimbursement				
Property Given to Others Without Reimbursement				
Cost Incurred by Others Without Reimbursement	1,000	50	(1,000)	50
Other Nonbudgetary Resources				
Net Nonbudgetary Resources Used to Finance Operations				
Total Resources Used to Finance Operations	<u>1,000</u>	<u>1,000</u>	<u>(1,000)</u>	<u>1,000</u>
Resources Used to Fund Items Not Part of the Net Cost of Operations				
Resources Used to Finance the Net Cost of Operations				
Components of Net Cost of Operations Not Requiring/Generating Resources				
NET COST OF OPERATIONS	<u>1,000</u>	<u>1,000</u>	<u>(1,000)</u>	<u>1,000</u>

The consolidating USDA Statement of Changes in Net Position would be presented as:

	Mission Area	Other USDA Services	Intra-USDA Eliminations	Total
Net Cost of Operations	\$ (1,000)	\$ (1,000)	\$ 1000	\$ (1,000)
Financing Sources:				
Appropriations Used		950		950
Taxes				
Donations				
Imputed Financing	1,000	50	(1,000)	50
Transfers-in				
Transfers-out				
Net Results of Operations	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

EXHIBIT D: FINANCIAL STATEMENT VERIFICATION LINKING REQUIREMENTS

BALANCE SHEET	INFORMATION LINKS	OK/ Not OK
ASSETS		
1. Assets for Use by Entity:		
a. Federal		
(1) Fund Balance with Treasury (Note 2)	Note 2, Total Assets for Use by Entity	
(2) Investments (Note 4)	Note 4, Subtotal, Federal Securities, Investments, Net	
(3) Accounts Receivable, Net (Note 5)	Note 5, Subtotal, Federal Accounts Receivable for Use by Entity, Net Accounts Receivable	
(4) Other Assets (Note 6)	Note 6, Total, Federal, Other Assets for Use by Entity	
b. Non-Federal		
(1) Investments (Note 4)	Note 4, Subtotal, Non-Federal Securities, Investments, Net	
(2) Accounts Receivable, Net (Note 5)	Note 5, Subtotal, Non-Federal Accounts Receivable for Use by Entity, Net Accounts Receivable	
(3) Credit Program Receivables and Related Foreclosed Property, Net (Note 7)	Note 7, Total, Loans Subject to Credit Reform, Program Receivable, Net	
(4) Domestic Commodity Loans, Net (Note 7)	Note 7, Total Loans Receivable Exempt from Credit Reform, CCC Domestic, Net Receivable	
(5) Other Foreign Receivables, Net (Note 7)	Note 7, Total Loans Receivable Exempt from Credit Reform, CCC Foreign, Net Receivable	
(6) Cash and Other Monetary Assets (Note 3)	Note 3, Total Cash, Foreign Currency, and Other Monetary Assets for Use by Entity	
(7) Inventory and Related Property, Net (Note 8)	Note 8, the sum of: (1) Ending Balance, Goods Held Under Price Support and Stabilization Programs, Amount; (2) Total Inventory Amount; and (3) Total Operating Materials and Supplies, Amount	
(8) General Property Plant and Equipment, Net (Note 9)	Note 9, Total General Property, Plant, and Equipment, Book Value	
(9) Other Assets (Note 6)	Note 6, Total, Non-Federal, Other Assets for Use by Entity	

BALANCE SHEET	INFORMATION LINKS	OK/ Not OK
c. Total Assets for Use by Entity		
2. Assets Not for Use by Entity:		
a. Federal		
(1) Fund Balance with Treasury (Note 2)	Note 2, Total Assets Not for Use by Entity	
(2) Accounts Receivable, Net (Note 5)	Note 5, Subtotal, Federal Accounts Receivable Not for Use by Entity, Net Accounts Receivable	
(3) Other Assets (Note 6)	Note 6, Total, Federal, Other Assets Not for Use by Entity	
b. Non-Federal		
(1) Accounts Receivable, Net (Note 5)	Note 5, Subtotal, Non-Federal Accounts Receivable Not for Use by Entity, Net Accounts Receivable	
(2) Cash and Other Monetary Assets (Note 3)	Note 3, Total Cash, Foreign Currency, and Other Monetary Assets Not for Use by Entity	
(3) Other Assets (Note 6)	Note 6, Total, Non-Federal, Other Assets Not for Use by Entity	
c. Total Assets Not for Use by Entity		
3. Total Assets	Balance Sheet, line 10, Total Liabilities and Net Position	
LIABILITIES		
4. Liabilities Covered by Budgetary Resources:		
a. Federal		
(1) Accounts Payable		
(2) Debt (Note 10)	Note 10, the Liabilities Covered by Budgetary Resources portion of Federal Debt	
(3) Liabilities for Environmental Cleanup Costs (Note 11)	Note 11, Total Federal, Liabilities Covered by Budgetary Resources	
(4) Resources Payable to Treasury (Note 1)		
(5) Other Liabilities (Note 12)	Note 12, Total, Federal, Other Liabilities Covered by Budgetary Resources, Total	
b. Non-Federal		
(1) Accounts Payable		
(2) Debt (Note 10)	Note 10, the Liabilities Covered by Budgetary Resources portion of Non-Federal Debt	
(3) Estimated Losses on Loan and Foreign Credit Guarantees (Note 7)	Note 7, Total G. Liabilities for Loan Guarantees	
(4) Liabilities for Environmental Cleanup Costs (Note 11)	Note 11, Total Non-Federal, Liabilities Covered by Budgetary Resources	
(5) Other Liabilities (Note 12 and 13)	Note 12, Total, Non-Federal, Other Liabilities Covered by Budgetary Resources, Total	
c. Total Liabilities Covered by Budgetary Resources		
5. Liabilities Not Covered by Budgetary Resources:		

BALANCE SHEET	INFORMATION LINKS	OK/ Not OK
a. Federal		
(1) Accounts Payable		
(2) Debt (Note 10)	Note 10, the Liabilities Not Covered by Budgetary Resources portion of Federal Debt	
(3) Liabilities for Environmental Cleanup Costs (Note 11)	Note 11, Total Federal, Liabilities Not Covered by Budgetary Resources	
(4) Accrued Federal Employees Compensation Act Bills (Note 1)		
(5) Other Liabilities (Note 12)	Note 12, Total, Federal, Other Liabilities Not Covered by Budgetary Resources, Total	
b. Non-Federal		
(1) Accounts Payable		
(2) Debt (Note 10)	Note 10, the Liabilities Not Covered by Budgetary Resources portion of Non-Federal Debt	
(3) Liabilities for Environmental Cleanup Costs (Note 11)	Note 11, Total Non-Federal, Liabilities Not Covered by Budgetary Resources	
(4) Annual Leave		
(5) Federal Employees Compensation Act Liability (Note 1)		
(6) Other Liabilities (Note 12 and 13)	Note 12, Total, Non-Federal, Other Liabilities Not Covered by Budgetary Resources, Total	
c. Total Liabilities Not Covered by Budgetary Resources		
6. Total Liabilities		
NET POSITION		
7. Unexpended Appropriations (Note 14)	Note 14, Unexpended Appropriations, Total	
8. Cumulative Results of Operations		
9. Total Net Position	Statement of Changes in Net Position, line 10, Net Position - End of Period	
10. Total Liabilities and Net Position	Balance Sheet, line 3, Total Assets	

Note 16, the total of each responsibility segment must match each responsibility segment presented on the face of the consolidated statement for every line.

STATEMENT OF NET COST	INFORMATION LINKS	OK/ Not OK
COSTS:		
1. Program Costs:		
a. Federal		
b. Nonfederal:		
(1) Grants and Transfers		
(a) Grants and Payments		
(b) Indemnities		
(c) Loan Subsidy Costs		
(2) Commodity Inventory Costs		
(3) Other Program Costs		
c. Total Program Production Costs		
d. Less Earned Revenues (Note 17)	Note 17., C. Total Earned Revenues Attributed to Programs	
e. Excess Production Costs Over Revenues		
f. Nonproduction Costs:		
(1) Acquisition Cost of Heritage Assets		
(2) Acquisition Cost of Stewardship Land		
(3) (Gain) or Loss on Disposition of Assets		
(4) Other Nonproduction Costs		
g. Net Program Costs		
2. Costs Not Assigned to Programs		
3. Less Other Earned Revenues Not Attributed to Programs (Note 17)	Note 17., Total, D. Earned Revenues Not Attributed to Programs	
4. NET COST OF OPERATIONS	Note 18, Total Net Cost	

STATEMENT OF CHANGES IN NET POSITION	INFORMATION LINKS	OK/ Not OK
1. Net Cost of Operations	Statement of Net Cost, line 4, Net Cost of Operations	
2. Financing Sources (other than exchange revenues):		
a. Appropriations Used		
b. Taxes (and other non-exchange revenues)		
c. Donations (non-exchange revenue)		
d. Imputed Financing	Statement of Financing, Line 1b(3), Costs Incurred By Others Without Reimbursement	

STATEMENT OF CHANGES IN NET POSITION	INFORMATION LINKS	OK/ Not OK
e. Transfers-in		
f. Transfers-out		
Changes in:		
g. Capital Stock		
h. Additional Paid-in Capital		
i. Investment of Others		
j. Other		
3. Net Results of Operations		
4. Net Results Not Affecting Net Position		
5. Prior Period Adjustments	Note 19. Disclosures Related to the Statement of Changes in Net Position (Prior Period Adjustments)	
6. Net Change in Cumulative Results of Operations		
7. Increase (Decrease) in Unexpended Appropriations		
8. Change in Net Position		
9. Net Position-Beginning of Period	Statement of Changes in Net Position, line 10, Net Position-End of Period for the prior year	
10. Net Position-End of Period	Balance Sheet, line 9, Total Net Position	

STATEMENT OF BUDGETARY RESOURCES	INFORMATION LINKS	OK/ Not OK
1. Budgetary Resources:		
a. Budget authority (line 1)	RSI, Statement of Budgetary Resources, Total 2000, line 1.a.	
b. Unobligated balances - beginning of period (line 2)	RSI, Statement of Budgetary Resources, Total 2000, line 1.b.	
c. Spending authority from offsetting collections (line 3)	RSI, Statement of Budgetary Resources, Total 2000, line 1.c.	
d. Adjustments (lines 4-6)	RSI, Statement of Budgetary Resources, Total 2000, line 1.d.	
e. Total budgetary resources (line 7)	RSI, Statement of Budgetary Resources, Total 2000, line 1.e.	
2. Status of Budgetary Resources:		
a. Obligations incurred (line 8)	- Statement of Budgetary Resources, Line 3.a. Obligations Incurred - Statement of Financing, Line 1.a.(1), Budgetary Resources Obligated for Items to be Received or Provided to Others - RSI, Statement of Budgetary Resources, Total 2000, line 2.a.	
b. Unobligated balances-available (line 9)	RSI, Statement of Budgetary Resources, Total 2000, line 2.b.	

STATEMENT OF BUDGETARY RESOURCES	INFORMATION LINKS	OK/ Not OK
c. Unobligated balances-not available (line 10)	RSI, Statement of Budgetary Resources, Total 2000, line 2.c.	
d. Total, status of budgetary resources (line 11)	RSI, Statement of Budgetary Resources, Total 2000, line 2.d.	
3. Outlays:		
a. Obligations incurred (line 8)	<ul style="list-style-type: none"> - Statement of Budgetary Resources, Line 2.a. Obligations Incurred - Statement of Financing, Line 1.a.(1), Budgetary Resources Obligated for Items to be Received or Provided to Others - RSI, Statement of Budgetary Resources, Total 2000, line 3.a. 	
b. Less: actual spending authority from offsetting collections and actual adjustments (lines 3A, B, D, & 4A)	<ul style="list-style-type: none"> - Statement of Financing, line 1a(2), Offsetting Collections, Recoveries of Prior-Year Authority, and Changes in Unfilled Customer Orders - RSI, Statement of Budgetary Resources, Total 2000, line 3.b. 	
c. Obligated balance, net - beginning of period (line 12)	<ul style="list-style-type: none"> - Statement of Budgetary Resources, Line 3e, Obligated Balance, Net - End of Period for the previous year - RSI, Statement of Budgetary Resources, Total 2000, line 3.c. 	
d. Obligated balance transferred, net (line 13)	RSI, Statement of Budgetary Resources, Total 2000, line 3.d.	
e. Less: obligated balance, net - end of period (line 14)	RSI, Statement of Budgetary Resources, Total 2000, line 3.e.	
f. Total outlays (line 15)	RSI, Statement of Budgetary Resources, Total 2000, line 3.f.	

STATEMENT OF FINANCING	INFORMATION LINKS	OK/ Not OK
1. Resources Used to Finance Operations:		
a. Budgetary		
(1) Budgetary Resources Obligated for Items to Be Received or Provided to Others	Statement of Budgetary Resources, line 2.a. and 3.a., Obligations Incurred	
(2) Less: Offsetting Collections, Recoveries of Prior-year Authority, and Changes in Unfilled Customer Orders	Statement of Budgetary Resources, Line 3.b. Actual Spending Authority from Offsetting Collections and Actual Adjustments	
(3) Net Budgetary Resources Used to Finance Operations		
b. Non-budgetary		
(1) Property Received from Others Without Reimbursement		
(2) Less: Property Given to Others Without Reimbursement		

STATEMENT OF FINANCING	INFORMATION LINKS	OK/ Not OK
(3) Costs Incurred by Others Without Reimbursements	Statement of Changes in Net Position, line 2.d., Imputed Financing	
(4) Other Non-budgetary Resources (Note 21)		
(5) Net Non-budgetary Resources Used to Finance Operations		
c. Total Resources Used to Finance Operations		
2. Resources Used to Fund Items Not Part of the Net Cost of Operations:		
a. Increase or (Decrease) in Budgetary Resources Obligated to Order Goods or Services Not Yet Provided		
b. Budgetary Offsetting Collections Not Increasing Earned Revenue or Decreasing Expense		
c. Less: Adjustments Made to Compute Net Budgetary Resources Not Affecting Net Cost of Operations		
d. Resources Funding Expenses Recognized in Prior Periods		
e. Resources Financing the Acquisition of Assets or Liquidation of Liabilities		
f. Other Resources Used to Fund Items Not Part of the Net Cost of Operations (Note 21)		
g. Total Resources Used to Fund Items Not Part of the Net Cost of Operations		
3. Resources Used to Finance the Net Cost of Operations		
4. Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period		
a. Expenses or Earned Revenue Related to the Disposition of Assets or Liabilities, or Allocation of Their Cost over Time		
b. Expenses Which Will Be Financed with Budgetary Resources Recognized in Future Periods		
c. Other Net Cost Components Not Requiring or Generating Resources During the Reporting Period (Note 21)		
d. Total Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period		
5. NET COST OF OPERATIONS	Statement of Net Cost, line 4, Net Cost of Operations	

These links are other than those already cited in the principal financial statements above.

FOOTNOTES	INFORMATION LINKS	OK/ Not OK
Note 5. Accounts Receivable, Allowance Beginning Balance for the current year	Note 5. Accounts Receivable, Allowance Ending Balance of the previous year	
Note 10. Debt, Beginning Balance, current year	Note 10. Debt, Ending Balance of the previous year	
ELIMINATION ENTRIES	INFORMATION LINKS	OK/ Not OK
Balance Sheet, Line 3, Total Assets, Intra-USDA Eliminations	Balance Sheet, Line 10, Total Liabilities and Net Position, Intra-USDA Eliminations	
Statement of Net Cost, Net Cost of Operations, Intra-USDA Eliminations	Statement of Changes in Net Position, Line 1, Net Cost of Operations, Intra-USDA Eliminations	
Statement of Changes in Net Position, Line 10, Net Position - End of Period, Intra-USDA Eliminations	Should equal zero.	
Statement of Changes in Net Position, Line 2.d. Imputed Financing, Intra-USDA Eliminations	Statement of Financing, Line 1.b(3), Costs Incurred by Others Without Reimbursement, Intra-USDA Eliminations	
REQUIRED SUPPLEMENTARY INFORMATION	INFORMATION LINKS	OK/ Not OK
Intragovernmental Balances		
A. Intragovernmental Assets		
Fund Balance with Treasury	Balance Sheet, 1. Assets for Use by Entity, a. Federal, (1) Fund Balance with Treasury; <i>plus</i> Balance Sheet, 2. Assets Not for Use by Entity, a. Federal, (1) Fund Balance with Treasury	
Investments	Balance Sheet, 1. Assets for Use by Entity, a. Federal, (2) Investments	
Accounts Receivable	Balance Sheet, 1. Assets for Use by Entity, a. Federal, (3) Accounts Receivable, Net; <i>plus</i> Balance Sheet, 2. Assets Not for Use by Entity, a. Federal, (2) Accounts Receivable, Net	
Other Assets	Balance Sheet, 1. Assets for Use by Entity, a. Federal, (3) Accounts Receivable, Net; <i>plus</i> Balance Sheet, 2. Assets Not for Use by Entity, a. Federal, (2) Accounts Receivable, Net	
B. Intragovernmental Liabilities		
Accounts Payable	Balance Sheet, 4. Liabilities Covered by Budgetary Resources, a. Federal, (1) Accounts Payable <i>plus</i> Balance Sheet, 5. Liabilities Not Covered by Budgetary Resources, a. Federal, (1) Accounts Payable	

REQUIRED SUPPLEMENTARY INFORMATION	INFORMATION LINKS	OK/ Not OK
Debt to Other Departments	Balance Sheet, 4. Liabilities Covered by Budgetary Resources, a. Federal, (2) Debt <i>plus</i> Balance Sheet, 5. Liabilities Not Covered by Budgetary Resources, a. Federal, (2) Debt	
Liabilities for Environmental Cleanup Costs	Balance Sheet, 4. Liabilities Covered by Budgetary Resources, a. Federal, (3) Liabilities for Environmental Cleanup Costs <i>plus</i> Balance Sheet, 5. Liabilities Not Covered by Budgetary Resources, a. Federal, (3) Liabilities for Environmental Cleanup Costs	
Resources Payable to Treasury	Balance Sheet, 4. Liabilities Covered by Budgetary Resources, a. Federal, (4) Resources Payable to Treasury <i>plus</i> Balance Sheet, 5. Liabilities Not Covered by Budgetary Resources, a. Federal, (4) Resources Payable to Treasury	
Other Liabilities	Balance Sheet, 4. Liabilities Covered by Budgetary Resources, a. Federal, (5) Other Liabilities <i>plus</i> Balance Sheet, 5. Liabilities Not Covered by Budgetary Resources, a. Federal, (5) Other Liabilities	
C. Intragovernmental Revenue and Related Total Cost		
Earned Revenue	Note 17 Earned Revenue, B. Earned Revenues from Federal Entities <i>plus</i> Statement of Net Cost, Earned Revenues, Intra-USDA Eliminations column	
Total Cost to Generate the Revenue	[This is <u>not</u> the same as the Federal Program Costs line on the Statement of Net Cost, after intra-USDA eliminations. These are internal USDA costs which are not presented separately in the Statement of Net Cost or related footnotes.]	

EXHIBIT E: CUSTODIAL COLLECTIONS OF MISCELLANEOUS RECEIPTS FOR TREASURY

- Refer to SGL guidance at www.fms.treas.gov/ussgl/sgl-impl.html and SGL Section III Accounting Transactions C142, C202, C226
- There are no budgetary transactions recorded when revenue is accrued by the collecting fund, or cash is collected.
- There are no eliminations within USDA, as the other entity is Treasury

Accounting Model:

When cash is collected that was not previously accrued:

Proprietary (only):

Dr. 1010 FBWT

Cr. 5310 Interest Revenue, or
5320 Penalties and Fines Revenue, or
5800 Tax Revenues, or
5900 Other Revenue

and

Dr. 5990G Collections for Others
Cr. 2980G Custodial Liabilities

If the collecting agency accrues the revenue before collection, the accrual is:

Proprietary (only):

Dr. 1310 Accounts Receivable, or
1340 Interest, Penalties, and Administrative Fees Receivable

Cr. 5310 Interest Revenue, or
5320 Penalties and Fines Revenue, or
5600 Donated Revenue, or
5800 Tax Revenues, or
5900 Other Revenue

and

Dr. 5990G Collections for Others (becomes 5991G Accrued Coll. For Others in
FY 2000)
Cr. 2980G Custodial Liability

At year-end Treasury automatically sweeps general fund receipt account balances. Agencies must zero out the balances of 1010 FBWT before the FACTS transmission. These are not reported as a 224 transaction.

Dr. 2980G Custodial Liabilities
Cr. 1010 FBWT

EXHIBIT F: FINANCIAL STATEMENT SGL CROSSWALKS FOR FY 2000Statements for Which SGL Account Crosswalks are Provided

Balance Sheet

Statement of Net Cost

Statement of Changes in Net Position

Statement of Budgetary Resources

Statement of Financing

Crosswalk Legends

All Statements

Pre = Balances prior to closing of operational accounts to cumulative results

Post = Balances after closing operational accounts to cumulative results

Trial Balance “E” = Ending balance

Trial Balance “E-B” = Ending balance less beginning balance, or net change in account balance for the year

Balance Sheet

Ent/Non “E” = Balance available for entity use

Ent/Non “N” = Balance not available for entity use

Fed = Federal asset

Nfed = Non-federal asset

Cov = Covered by budgetary resources

Ncov = Not covered by budgetary resources

EXHIBIT F: (Cont.)**Exhibit 14F- Balance Sheet for FY 2000 Reporting**

USDA		Treas.												
Line	Line	Line		Pre/	Trial	Acct	Account		Ent/	Fed/	Cov/			
No	No	Title		Post	Bal	No	Title		Non	NFed	NCov	Additional Information Required		
ASSETS														
1 Assets for Use by Entity														
1A Federal														
1A1	1A1	Fund Balance with Treasury		Post	E	1010	Fund Balance with Treasury		E	Fed				
1A2	1A2	Investments		Post	E	1340	Interest Receivable		E	Fed		Related to Investments		
1A2	1A2			Post	E	1349	Allowance for Loss on Interest Receivable		E	Fed		Related to Investments		
1A2	1A2			Post	E	1610	Investments in U. S. Treasury Securities Issued by Public Debt		E	Fed				
1A2	1A2			Post	E	1611	Discount on U. S. Treasury Securities Issued by Public Debt		E	Fed				
1A2	1A2			Post	E	1612	Premium on U. S. Treasury Securities Issued by Public Debt		E	Fed				
1A2	1A2			Post	E	1613	Amortization of Disc. And Prem. On U. S. Treasury Securities Issued by Public Debt		E	Fed				
1A2	1A2			Post	E	1620	Investments in Securities Other Than Public Debt Securities		E	Fed				
1A2	1A2			Post	E	1621	Discount on Securities Other Than Public Debt Securities		E	Fed				
1A2	1A2			Post	E	1622	Premium on Securities Other Than Public Debt Securities		E	Fed				
1A2	1A2			Post	E	1623	Amortization of Prem. and Disc. on Securities Other Than Public Debt Securities		E	Fed				
1A2	1A2			Post	E	1690	Other Investments		E	Fed				
1A3	1A3	Accounts Receivable, Net		Post	E	1310	Accounts Receivable		E	Fed				
1A3	1A3			Post	E	1319	Allowance for Loss on Accounts Receivable		E	Fed				
1A3	1A3			Post	E	1320	Employment Benefit Contributions Receivable		E	Fed				
1A3	1A3			Post	E	1325	Taxes Receivable		E	Fed				
1A3	1A3			Post	E	1329	Allowance for Loss on Taxes Receivable		E	Fed				
1A3	1A3			Post	E	1330	Receivable for Allocation Transfers		E	Fed				
1A3	1A3			Post	E	1335	Expenditure Transfers Receivable		E	Fed				
1A3	1A3			Post	E	1340	Interest Receivable		E	Fed		Related to accounts receivable		
1A3	1A3			Post	E	1349	Allowance for Loss on Interest Receivable		E	Fed		Related to accounts receivable		
1A3	1A3			Post	E	1360	Penalties, Fines and Administrative Fees Receivable		E	Fed		Related to accounts receivable		
1A3	1A3			Post	E	1369	Allowance for loss on Penalties, Fines and Administrative Fees Receivable		E	Fed		Related to accounts receivable		
1A4	1A4	Other Assets		Post	E	1340	Interest Receivable		E	Fed		Related to loans receivable		
1A4	1A4			Post	E	1349	Allowance for Loss on Interest Receivable		E	Fed		Related to loans receivable		
1A4	1A4			Post	E	1350	Loans Receivable		E	Fed				
1A4	1A4			Post	E	1359	Allowance for Loss on Loans Receivable		E	Fed				
1A4	1A4			Post	E	1360	Penalties, Fines and Administrative Fees Receivable		E	Fed		Related to loans receivable		
1A4	1A4			Post	E	1369	Allowance for loss on Penalties, Fines and Administrative Fees Receivable		E	Fed		Related to loans receivable		
1A4	1A4			Post	E	1410	Advances to Others		E	Fed				
1A4	1A4			Post	E	1450	Prepayments		E	Fed				
1A4	1A4			Post	E	1920	Unrequisitioned Authorized Appropriations		E	Fed				
1A4	1A4			Post	E	1921	Receivable from Appropriations		E	Fed		Do not use without permission from Treasury/OMB		
1A4	1A4			Post	E	1990	Other Assets		E	Fed				

Exhibit 14 (Cont.) - Balance Sheet for FY 2000 Reporting

USDA Line No	Treas.		Pre/ Post	Trial Bal	Acct No	Account Title	Ent/ Non	Fed/ NFed	Cov/ NCov	Additional Information Required
	Line No	Line Title								
1B	1A5	Total Federal Assets for Use by Entity	Sum	Lines	(1A1..1A4)					
1C	Non-Federal									
1C1	1B1	Investments	Post	E	1340	Interest Receivable	E	NFed		Related to investments
1C1	1B1		Post	E	1349	Allowance for Loss on Interest Receivable	E	NFed		Related to investments
1C1	1B1		Post	E	1620	Investments in Securities Other Than Public Debt Securities	E	NFed		
1C1	1B1		Post	E	1621	Discount on Securities Other Than Public Debt Securities	E	NFed		
1C1	1B1		Post	E	1622	Premium on Securities Other Than Public Debt Securities	E	NFed		
1C1	1B1		Post	E	1623	Amortization of Prem. and Disc. on Securities Other Than Public Debt Securities	E	NFed		
1C1	1B1		Post	E	1690	Other Investments	E	NFed		
1C2	1B2	Accounts Receivable, Net	Post	E	1310	Accounts Receivable	E	NFed		
1C2	1B2		Post	E	1319	Allowance for Loss on Accounts Receivable	E	NFed		
1C2	1B2		Post	E	1320	Employment Benefit Contributions Receivable	E	NFed		
1C2	1B2		Post	E	1340	Interest Receivable	E	NFed		Related to accounts receivable
1C2	1B2		Post	E	1349	Allowance for Loss on Interest Receivable	E	NFed		Related to accounts receivable
1C2	1B2		Post	E	1360	Penalties, Fines and Administrative Fees Receivable	E	NFed		Related to accounts receivable
1C2	1B2		Post	E	1369	Allowance for loss on Penalties, Fines and Administrative Fees Receivable	E	NFed		Related to accounts receivable
1C3,4,5	1B3	1C3. Credit Program Receivables and Related Foreclosed Property, Net/1C4. Domestic Commodity Loans, Net/1C5. Other Foreign Receivables, Net	Post	E	1340	Interest Receivable	E	NFed		Related to loans
1C4,5	1B3		Post	E	1349	Allowance for Loss on Interest Receivable	E	NFed		Related to loans
1C3,4,5	1B3		Post	E	1350	Loans Receivable	E	NFed		
1C4,5	1B3		Post	E	1359	Allowance for Loss on Loans Receivable	E	NFed		
1C3	1B3		Post	E	1399	Allowance for Subsidy	E	NFed		
1C3	1B3		Post	E	1360	Penalties, Fines and Administrative Fees Receivable	E	NFed		Related to loans
1C3	1B3		Post	E	1369	Allowance for loss on Penalties, Fines and Administrative Fees Receivable	E	NFed		Related to loans
1C3,4,5	1B3		Post	E	1551	Foreclosed Property	E	NFed		
1C3,4,5	1B3		Post	E	1559	Foreclosed Property - Allowance	E	NFed		
1C6	1B4	Cash and Other Monetary Assets	Post	E	1110	Undeposited Collections	E	NFed		
1C6	1B4		Post	E	1120	Imprest Funds	E	NFed		
1C6	1B4		Post	E	1130	Funds Held by the Public	E	NFed		
1C6	1B4		Post	E	1190	Other Cash	E	NFed		

Exhibit 14 (Cont.) - Balance Sheet for FY 2000 Reporting

USDA		Treas.											
Line	Line	Line	Pre/	Trial	Acct	Account	Ent/	Fed/	Cov/				
No	No	Title	Post	Bal	No	Title	Non	NFed	NCov	Additional Information Required			
1C6	1B4		Post	E	1195	Other Monetary Assets	E	NFed					
1C6	1B4		Post	E	1200	Foreign Currency	E	NFed					
1C7	1B5	Inventory and Related Property, Net	Post	E	1511	Operating Materials and Supplies Held for Use	E	NFed					
1C7	1B5		Post	E	1512	Operating Materials and Supplies Held in Reserve for Future Use	E	NFed					
1C7	1B5		Post	E	1513	Operating Materials and Supplies - Excess, Unserviceable and Obsolete	E	NFed					
1C7	1B5		Post	E	1521	Inventory Purchased for Resale	E	NFed					
1C7	1B5		Post	E	1522	Inventory Held in Reserve for Future Sale	E	NFed					
1C7	1B5		Post	E	1523	Inventory Held for Repair	E	NFed					
1C7	1B5		Post	E	1524	Inventory - Excess, Obsolete and Unserviceable	E	NFed					
1C7	1B5		Post	E	1525	Inventory - Raw Materials	E	NFed					
1C7	1B5		Post	E	1526	Inventory - Work in Process	E	NFed					
1C7	1B5		Post	E	1527	Inventory - Finished Goods	E	NFed					
1C7	1B5		Post	E	1529	Inventory - Allowance	E	NFed					
1C7	1B5		Post	E	1541	Forfeited Property Held for Sale	E	NFed					
1C7	1B5		Post	E	1542	Forfeited Property Held for Donation or Use	E	NFed					
1C7	1B5		Post	E	1549	Forfeited Property - Allowance	E	NFed					
1C7	1B5		Post	E	1561	Commodities Held Under Price Support and Stabilization Support Programs	E	NFed					
1C7	1B5		Post	E	1569	Commodities - Allowance	E	NFed					
1C7	1B5		Post	E	1571	Stockpile Materials Held in Reserve	E	NFed					
1C7	1B5		Post	E	1572	Stockpile Materials Held for Sale	E	NFed					
1C7	1B5		Post	E	1591	Other Related Property	E	NFed					
1C7	1B5		Post	E	1599	Other Related Property - Allowance	E	NFed					
1C8	1B6	General Property, Plant and Equipment, Net	Post	E	1711	Land and Land Rights	E	NFed					
1C8	1B6		Post	E	1712	Improvements to Land	E	NFed					
1C8	1B6		Post	E	1719	Accumulated Depreciation on Improvements to Land	E	NFed					
1C8	1B6		Post	E	1720	Construction in Progress	E	NFed					
1C8	1B6		Post	E	1730	Buildings, Improvements and Renovations	E	NFed					
1C8	1B6		Post	E	1739	Accumulated Depreciation on Buildings, Improvements, and Renovations	E	NFed					
1C8	1B6		Post	E	1740	Other Structures and Facilities	E	NFed					
1C8	1B6		Post	E	1749	Accumulated Depreciation on Other Structures and Facilities	E	NFed					
1C8	1B6		Post	E	1750	Equipment	E	NFed					
1C8	1B6		Post	E	1759	Accumulated Depreciation on Equipment	E	NFed					
1C8	1B6		Post	E	1810	Assets Under Capital Lease	E	NFed					
1C8	1B6		Post	E	1819	Accumulated Depreciation on Assets Under Capital Lease	E	NFed					
1C8	1B6		Post	E	1820	Leasehold Improvements	E	NFed					
1C8	1B6		Post	E	1829	Accumulated Amortization on Leasehold Improvements	E	NFed					
1C8	1B6		Post	E	1830	Information Technology Software	E	NFed					
1C8	1B6		Post	E	1839	Accumulated Amortization on Information Technology Software	E	NFed					
1C8	1B6		Post	E	1840	Other Natural Resources	E	NFed					
1C8	1B6		Post	E	1849	Allowance for Depletion	E	NFed					
1C8	1B6		Post	E	1890	Other General Property, Plant and Equipment	E	NFed					

Exhibit 14 (Cont.) - Balance Sheet for FY 2000 Reporting

USDA		Treas.												
Line	Line	Line		Pre/	Trial	Acct	Account		Ent/	Fed/	Cov/			
No	No	Title		Post	Bal	No	Title		Non	NFed	NCov	Additional Information Required		
1C9	1B7	Other Assets		Post	E	1410	Advances to Others		E	NFed				
1C9	1B7			Post	E	1450	Prepayments		E	NFed				
1C9	1B7			Post	E	1990	Other Assets		E	NFed				
1D	1C	Total Assets for Use by Entity		Lines 1B + Sum (1C1..1C9)										
2 Assets Not for Use by Entity														
2A Federal														
2A1	2A1	Fund Balance with Treasury		Post	E	1010	Fund Balance with Treasury		O	Fed				
2A2	2A2	Accounts Receivable, Net		Post	E	1310	Accounts Receivable		O	Fed				
2A2	2A2			Post	E	1319	Allowance for Loss on Accounts Receivable		O	Fed				
2A2	2A2			Post	E	1340	Interest Receivable		O	Fed		Related to accounts receivable		
2A2	2A2			Post	E	1349	Allowance for Loss on Interest Receivable		O	Fed		Related to accounts receivable		
2A2	2A2			Post	E	1360	Penalties, Fines and Administrative Fees Receivable		O	Fed		Related to accounts receivable		
2A2	2A2			Post	E	1369	Allowance for loss on Penalties, Fines and Administrative Fees Receivable		O	Fed		Related to accounts receivable		
2A3	2A3	Other Assets		Post	E	1410	Advances to Others		O	Fed				
2A3	2A3			Post	E	1450	Prepayments		O	Fed				
2A3	2A3			Post	E	1990	Other Assets		O	Fed				
2B	2A4	Total Federal Assets Not for Use by Entity		Sum Lines (2A1..2A3)										
2C Non-Federal														
2C1	2B1	Accounts Receivable, Net		Post	E	1310	Accounts Receivable		O	NFed				
2C1	2B1			Post	E	1319	Allowance for Loss on Accounts Receivable		O	NFed				
2C1	2B1			Post	E	1340	Interest Receivable		O	NFed		Related to accounts receivable		
2C1	2B1			Post	E	1349	Allowance for Loss on Interest Receivable		O	NFed		Related to accounts receivable		
2C1	2B1			Post	E	1360	Penalties, Fines and Administrative Fees Receivable		O	NFed		Related to accounts receivable		
2C1	2B1			Post	E	1369	Allowance for loss on Penalties, Fines and Administrative Fees Receivable		O	Nfed		Related to accounts receivable		
	2B2	Taxes Receivable		Post	E	1325	Taxes Receivable		O	NFed		Taxes receivable		
	2B2			Post	E	1329	Allowance for Loss on Taxes Receivable		O	NFed		Taxes receivable		
2C2	2B3	Cash and Other Monetary Assets		Post	E	1110	Undeposited Collections		O	NFed				
2C2	2B3			Post	E	1120	Imprest Funds		O	NFed				
2C2	2B3			Post	E	1190	Other Cash		O	NFed				

Exhibit 14 (Cont.) - Balance Sheet for FY 2000 Reporting

USDA		Treas.												
Line	Line	Line	Pre/	Trial	Acct	Account	Ent/	Fed/	Cov/					
No	No	Title	Post	Bal	No	Title	Non	NFed	NCov	Additional Information Required				
2C2	2B3		Post	E	1195	Other Monetary Assets	O	NFed						
2C2	2B3		Post	E	1200	Foreign Currency	O	NFed						
2C2	2B3		Post	E	1531	Seized Monetary Instrum ents	O	NFed						
2C2	2B3		Post	E	1532	Seized Cash Deposited	O	NFed						
2C3	2B4	Other	Post	E	1410	Advances to Others	O	NFed						
2C3	2B4		Post	E	1450	Prepaym ents	O	NFed						
2C3	2B4		Post	E	1990	Other Assets	O	NFed						
2D	2C	Total Assets Not for Use by Entity	Lines 2B + Sum (2C1..2C3)											
3 Total Assets			Lines1D + 2D											
LIABILITIES														
4 Liabilities Covered by Budgetary Resources														
4A Federal														
4A1	4A1	Accounts Payable	Post	E	2110	Accounts Payable		Fed	C					
4A1	4A1		Post	E	2120	Disbursements in Transit		Fed	C					
4A1	4A1		Post	E	2140	Accrued Interest Payable		Fed	C	Related to accounts payable				
4A1	4A1		Post	E	2150	Liability for Allocation Transfers		Fed	C					
4A1	4A1		Post	E	2155	Nonexchange Expenditure Transfers Payable		Fed	C	Related to accounts payable				
4A1	4A1		Post	E	2170	Subsidy Payable to Financing Account		Fed	C					
4A1	4A1		Post	E	2179	Contra Liability for Subsidy Payable to Financing Account		Fed	C					
4A2	4A3	Debt	Post	E	2140	Accrued Interest Payable		Fed	C	Related to Debt				
4A2	4A3		Post	E	2510	Principal Payable to Treasury		Fed	C					
4A2	4A3		Post	E	2520	Principal Payable to Federal Financing Bank		Fed	C					
4A2	4A3		Post	E	2530	Securities Issued by Federal Agencies under General and Special Financing Authority, Net		Fed	C					
4A2	4A3		Post	E	2540	Participation Certificates		Fed	C					
4A2	4A3		Post	E	2590	Other Debt		Fed	C					
4A3	4A2	Liabilities for Environmental Cleanup Costs	Post	E	2995	Accrued Cleanup Cost		Fed	C					
4A4	4A4	Resources Payable to Treasury	Post	E	2970	Resources Payable to Treasury		Fed	C					
4A5	4A4	Other Liabilities	Post	E	2130	Contract Holdbacks		Fed	C					
4A5	4A4		Post	E	2190	Other Accrued Liabilities		Fed	C					
4A5	4A4		Post	E	2210	Accrued Funded Payroll and Leave		Fed	C					
4A5	4A4		Post	E	2213	Employer Contributions and Payroll Taxes Payable		Fed	C					
4A5	4A4		Post	E	2310	Advances from Others		Fed	C					
4A5	4A4		Post	E	2320	Deferred Credits		Fed	C					
4A5	4A4		Post	E	2400	Liability for Deposit Funds, Clearing Accounts and Undeposited Collections		Fed	C					
4A5	4A4		Post	E	2920	Contingent Liabilities		Fed	C					

Exhibit 14 (Cont.) - Balance Sheet for FY 2000 Reporting

USDA		Treas.								
Line	Line	Line	Pre/	Tri	Acct	Account	Ent/	Fed/	Cov/	
				I						
No	No	Title	Post	Bal	No	Title	Non	NFed	NCov	Additional Information Required
4A5	4A4		Post	E		2940 Capital Lease Liability		Fed	C	
4A5	4A4		Post	E		2950 Liability for Subsidy Related to Undisbursed Loans		Fed	C	
4A5	4A4		Post	E		2990 Other Liabilities		Fed	C	
4B	4A5	Total Federal	Sum Lines (4A1..4A5)							
4C	Non-Federal									
4C1	4B1	Accounts Payable	Post	E		2110 Accounts Payable		NFed	C	
4C1	4B1		Post	E		2120 Disbursements in Transit		NFed	C	
4C1	4B1		Post	E		2140 Accrued Interest Payable		NFed	C	Related to accounts payable
4C2,3	4B2	4C2. Debt/4C3. Estimated Losses on Loan and Foreign Credit Guarantees	Post	E		2180 Loan Guarantee Liability		NFed	C	
4C2,3	4B3		Post	E		2140 Accrued Interest Payable		NFed	C	Related to debt
4C2	4B3		Post	E		2530 Securities Issued by Federal Agencies under General and Special Financing Authority, Net		NFed	C	
4C2	4B3		Post	E		2540 Participation Certificates		NFed	C	
4C2,3	4B3		Post	E		2590 Other Debt		NFed	C	
	4B4	Federal Employee and Veterans' Benefits	Post	E		2610 Actuarial Pension Liability		NFed	C	
	4B4		Post	E		2620 Actuarial Health Insurance Liability		NFed	C	
	4B4		Post	E		2630 Actuarial Life Insurance Liability		NFed	C	
	4B4		Post	E		2650 Actuarial FECA Liability		NFed	C	
	4B4		Post	E		2690 Other Actuarial Liabilities		NFed	C	
4C4	4B5	Liabilities for Environmental Cleanup Costs	Post	E		2995 Accrued Cleanup Cost		NFed	C	
4C4	4B6		Post	E		2160 Entitlement Benefits Due and Payable		NFed	C	
4C5	4B7	Other Liabilities	Post	E		2130 Contract Holdbacks		NFed	C	
4C5	4B7		Post	E		2190 Other Accrued Liabilities		NFed	C	
4C5	4B7		Post	E		2210 Accrued Funded Payroll and Leave		NFed	C	
4C5	4B7		Post	E		2211 Withholdings Payable		NFed	C	
4C5	4B7		Post	E		2215 Other Post-Employment Benefits Due and Payable		NFed	C	
4C5	4B7		Post	E		2216 Pension Benefits Due and Payable to Beneficiaries		NFed	C	
4C5	4B7		Post	E		2217 Benefit Premiums Payable to Carriers		NFed	C	
4C5	4B7		Post	E		2218 Life Insurance Benefits Due and Payable to Beneficiaries		NFed	C	

Exhibit 14 (Cont.) - Balance Sheet for FY 2000 Reporting

USDA		Treas.												
Line	Line	Line		Pre/	Trial	Acct	Account		Ent/	Fed/	Cov/			
No	No	Title		Post	Bal	No	Title		Non	NFed	NCov	Additional Information Required		
4C5	4B7			Post	E	2310	Advances from Others			NFed	C			
4C5	4B7			Post	E	2320	Deferred Credits			NFed	C			
4C5	4B7			Post	E	2400	Liability for Deposit Funds, Clearing Accounts and Undeposited Collections			NFed	C			
4C5	4B7			Post	E	2920	Contingent Liabilities			NFed	C			
4C5	4B7			Post	E	2940	Capital Lease Liability			NFed	C			
4C5	4B7			Post	E	2990	Other Liabilities			NFed	C			
4D	4C	Total Liabilities Covered by Budgetary Resources		Lines 4B + Sum (4C1..4C5)										
5 Liabilities Not Covered by Budgetary Resources														
5A Federal														
5A1	5A1	Accounts Payable		Post	E	2170	Subsidy Payable to Financing Account			Fed	N			
5A2	5A2	Debt		Post	E	2140	Accrued Interest Payable			Fed	N	Related to debt		
5A2	5A2			Post	E	2510	Principal Payable to Treasury			Fed	N			
5A2	5A2			Post	E	2520	Principal Payable to Federal Financing Bank			Fed	N			
5A2	5A2			Post	E	2540	Participation Certificates			Fed	N			
5A2	5A2			Post	E	2590	Other Debt			Fed	N			
5A3	5A3	Environmental Cleanup Costs		Post	E	2995	Accrued Cleanup Cost			Fed	N			
5A5	5A4	Other Liabilities		Post	E	2190	Other Accrued Liabilities			Fed	N			
5A5	5A4			Post	E	2220	Unfunded Leave			Fed	N			
5A5	5A4			Post	E	2225	Unfunded FECA Liability			Fed	N			
5A5	5A4			Post	E	2290	Other Unfunded Employment Related Liability			Fed	N			
5A5	5A4			Post	E	2320	Deferred Credits			Fed	N			
5A5	5A4			Post	E	2920	Contingent Liabilities			Fed	N			
5A5	5A4			Post	E	2940	Capital Lease Liability			Fed	N			
5A5	5A4			Post	E	2960	Accounts Payable Canceled			Fed	N			
5A5	5A4			Post	E	2980	Custodial Liability			Fed	N			
5A5	5A4			Post	E	2990	Other Liabilities			Fed	N			
5B	5A5	Total Federal		Sum Lines (5A1..5A5)										
5C Non-federal														
5C2	5B2	Debt		Post	E	2140	Accrued Interest Payable			NFed	N	Related to debt		
5C2	5B2			Post	E	2530	Securities Issued by Federal Agencies under General and Special Financing Authority, Net			NFed	N			
5C2	5B2			Post	E	2540	Participation Certificates			NFed	N			
5C2	5B2			Post	E	2590	Other Debt			NFed	N			

[illegible]

EXHIBIT F (Cont.)

Exhibit F - Statement of Net Cost for FY 2000 Crosswalk

USDA Line No.	Treas. Line No.	Pre/ Post	Trial Balance	SGL Account	Budget Object Class	Normal Balance	Account Title	Additional Information Required
1. Program Costs:								
1a. Federal								
								Goods and services received from other Federal organizations, including direct costs, allocated support
1a	1A1	Pre	E	6100		Debit	Operating Expenses/ Program Costs	Federal. Production. Including imputed costs for current employees' benefits.
1a	1A1	Pre	E	6190		Credit	Contra Bad Debts Expense - Incurred for Others	Federal. Production.
1a	1A1	Pre	E	6199		Credit	Adjustment to Subsidy Expense	Production
1a	1A1	Pre	E	6310		Debit	Interest Expenses on Borrowing from Treasury	Federal. Production.
1a	1A1	Pre	E	6320		Debit	Interest Expenses on Securities	Federal. Production.
1a	1A1	Pre	E	6330		Debit	Other Interest Expenses	Federal. Production.
1a	1A1	Pre	E	6400		Debit	Benefit Program Expenses	Federal. Production. Funded/Unfunded
1a	1A1	Pre	E	6500		Debit	Cost of Goods Sold	Federal. Production.
1a	1A1	Pre	E	6600		Debit	Applied Overhead	Federal. Production.
1a	1A1	Pre	E	6720		Debit	Bad Debt Expense	
1a	1A1	Pre	E	6730		Debit	Imputed Costs	Federal. Production. Imputed interentity costs such as current employees' unfunded pension benefits.
1a	1A1	Pre	E	6790		Debit	Other Expenses Not Requiring Budgetary Resources	Federal. Production.
1a	1A1	Pre	E	6800		Debit	Future Funded Expenses	Federal. Production. (e.g., accrued annual leave, worker's compensation.)
1a	1A1	Pre	E	7110		Credit	Gains on Disposition of Assets	Federal. Production. Normal recurring disposition of program assets.
1a	1A1	Pre	E	7190		Credit	Other Gains	Federal. Production. Gain on assets from normal recurring events other than disposition. Exchange.
1a	1A1	Pre	E	7210		Credit	Losses on Disposition of Assets	Federal. Production. Normal recurring disposition of program assets.
1a	1A1	Pre	E	7290		Credit	Other Losses	Federal. Production. Loss on assets from normal recurring events other than disposition. Exchange.
1a	1A1	Pre	E	7500		Credit	Distribution of Income - Dividend	Federal. Production. Exchange.
1a	1A2	Pre	E	6400		Debit	Benefit Expense	Federal. Nonproduction.
1a	1A2	Pre	E	6800		Debit	Future Funded Expenses	Federal. Nonproduction.
1a	1A2	Pre	E	6900		Debit	Nonproduction Costs	Federal. Nonproduction. Report stewardship costs separately.
1a	1A2	Pre	E	7110		Credit	Gains on Disposition of Assets	Federal. Nonproduction. Exchange
1a	1A2	Pre	E	7190		Credit	Other Gains	Federal. Nonproduction. Exchange
1a	1A2	Pre	E	7210		Debit	Losses on Disposition of Assets	Federal. Nonproduction. Exchange
1a	1A2	Pre	E	7290		Debit	Other Losses	Federal. Nonproduction. Exchange

Exhibit F(Cont.) - Statement of Net Cost for FY 2000 Crosswalk

<u>USDA</u> <u>Line No.</u>	<u>Treas.</u> <u>Line</u> <u>No.</u>	<u>Pre/</u> <u>Post</u>	<u>Trial</u> <u>Balance</u>	<u>SGL</u> <u>Account</u>	<u>Budget</u> <u>Object</u> <u>Class</u>	<u>Normal</u> <u>Balance</u>	<u>Account Title</u>	<u>Additional Information Required</u>
1a	1A2	Pre	E	7300		Either	Extraordinary Items	Federal. Nonproduction.
1a	1A2	Pre	E	7500		Debit	Distribution of Income - Dividend	Federal. Nonproduction.
1b. Nonfederal								Goods and services received from non-Federal individuals and organizations, including direct costs,
1b. Grants and Transfers								Resources transferred from the Federal government to individuals, organizations, and State and local governments.
1b(1). Grants and Payments								
1b(1)a	1B1	Pre	E	6100	41.0 exclude Credit Reform	Debit	Operating Expenses/ Program Costs	
Indemnities								
1b(1)b	1B2	Pre	E	6100	42.0	Debit	Operating Expenses/ Program Costs	
Loan Subsidy Costs								
1b(1)c	1B3	Pre	E	6100	41.0 Credit Reform only	Debit	Operating Expenses/ Program Costs	
1b(1)c	1B3	Pre	E	6199		Credit	Adjustment to Subsidy Expense	
1b(1)c	1B3	Pre	E	6800		Debit	Future Funded Expenses	Ending Bal
Commodity Inventory Costs								
1b(2)	1C1	Pre	E	6100		Debit	Operating Expenses/ Program Costs	
1b(2)	1C1	Pre	E	6500		Debit	Cost of Goods Sold	
Other Program Costs								All nonfederal program production costs not accounted for in 1.b.(1)(a) - 1.b.(1)(c) or 1.b.(2), including
1b(3)	1D1	Pre	E	6100	Exclude 41.0, 42.0	Debit	Operating Expenses/ Program Costs	Ending Bal
1b(3)	1D1	Pre	E	6190		Credit	Contra Bad Debts Expense - Incurred for Others	Ending Bal
1b(3)	1D1	Pre	E	6320		Debit	Interest Expenses on Securities	
1b(3)	1D1	Pre	E	6330		Debit	Other Interest Expenses	
1b(3)	1D1	Pre	E	6400		Debit	Benefit Program Expenses	Funded/Unfunded.
1b(3)	1D1	Pre	E	6500		Debit	Cost of Goods Sold	
1b(3)	1D1	Pre	E	6600		Debit	Applied Overhead	
1b(3)	1D1	Pre	E	6710		Debit	Depreciation, Amortization, and Depletion	
1b(3)	1D1	Pre	E	6720		Debit	Bad Debt Expense	
1b(3)	1D1	Pre	E	6790		Debit	Other Expenses Not Requiring Budgetary Resources	
1b(3)	1D1	Pre	E	6800		Debit	Future Funded Expenses	
1b(3)	1D1	Pre	E	7110		Credit	Gains on Disposition of Assets	
1b(3)	1D1	Pre	E	7190		Credit	Other Gains	

Exhibit F(Cont.) - Statement of Net Cost for FY 2000 Crosswalk

USDA Line No.	Treas. Line No.	Pre/ Post	Trial Balance	SGL Account	Budget Object Class	Normal Balance	Account Title	Additional Information Required
1b(3)	1D1	Pre	E	7210		Credit	Losses on Disposition of Assets	
1b(3)	1D1	Pre	E	7290		Credit	Other Losses	
1b(3)	1D1	Pre	E	7500		Credit	Distribution of Income - Dividend	
1b(3)	1D1	Pre	E	7600		Credit	Changes in Actuarial Liability	
1c. Total Program Production Costs								
Calculations 1c = 1a + 1b(1) + 1b(2) + 1b(3)								
1d. Less Earned Revenues								
							All exchange program revenues.	
1d.	1E 1	Pre	E	5100		Credit	Revenue from Goods Sold	
1d.	1E 1	Pre	E	5109		Debit	Contra Revenue for Good Sold	
1d.	1E 1	Pre	E	5200		Credit	Revenue from Services Provided	
1d.	1E 1	Pre	E	5209		Debit	Contra Revenue for Services Provided	
1d.	1E 1	Pre	E	5310		Credit	Interest Revenue	
1d.	1E 1	Pre	E	5319		Debit	Contra Revenue for Interest	
1d.	1E 1	Pre	E	5320		Credit	Penalties, Fines, and Administrative Fees Revenue (revised in FY 2000)	
1d.	1E 1	Pre	E	5329		Debit	Contra Revenue for Penalties, Fines, and Administrative Fees (revised in FY 2000)	
1d.	1E 1	Pre	E	5400		Credit	Benefit Program Revenue	
1d.	1E 1	Pre	E	5409		Debit	Contra Revenue for Benefit Program Revenue	
1d.	1E 1	Pre	E	5500		Credit	Insurance and Guarantee Premium Revenue	
1d.	1E 1	Pre	E	5509		Debit	Contra for Insurance and Guarantee Premium Revenue	
1d.	1E 1	Pre	E	5900		Credit	Other Revenue	
1d.	1E 1	Pre	E	5909		Debit	Contra Revenue for Other Revenue	
(Present revenues as positive numbers on the statement and schedules; i.e., change sign)								
1e. Excess Production Costs Over Revenues								
Calculations 1e = 1c - 1d								
1f. Nonproduction Costs:								
Acquisition Cost of Heritage Assets							Costs related to an event, not to production of program activities, goods, or services. All	
1f(1).	2A1	Pre	E	6900		Debit	Nonproduction Costs	Govt. / Non-Govt. Acquisition costs of heritage assets.
Subaccounts under account 6900 might be considered to isolate acquisition cost of stewardship								
Acquisition Cost of Stewardship Land								
1f(2).	2A2	Pre	E	6900		Debit	Nonproduction Costs	Govt. / Non-Govt. Acquisition costs of stewardship land.
Subaccounts under account 6900 might be considered to isolate acquisition cost of stewardship								
(Gain) or Loss on Disposition of Assets								
1f(3)	2A3	Pre	E	7110		Credit	Gains on Disposition of Assets	Ending Bal

Exhibit F(Cont.) - Statement of Net Cost for FY 2000 Crosswalk

<u>USDA</u> <u>Line No.</u>	<u>Treas.</u> <u>Line No.</u>	<u>Pre/</u> <u>Post</u>	<u>Trial</u> <u>Balance</u>	<u>SGL</u> <u>Account</u>	<u>Budget</u> <u>Object</u> <u>Class</u>	<u>Normal</u> <u>Balance</u>	<u>Account Title</u>	<u>Additional Information Required</u>
1f(3)	2A3	Pre	E	7210		Debit	Losses on Disposition of Assets	
(Do not change sign on gains; present credits as negative numbers on the statement and schedules, to offset the other nonproduction costs)								
Other Nonproduction Costs								
1f(4)	2A4	Pre	E	6400		Debit	Benefit Program Expenses	Funded/Unfunded.
1f(4)	2A4	Pre	E	6900		Debit	Nonproduction Costs	
1f(4)	2A4	Pre	E	7190		Credit	Other Gains	Exchange.
1f(4)	2A4	Pre	E	7290		Credit	Other Losses	Exchange.
1f(4)	2A4	Pre	E	7300		Credit	Extraordinary Items	
1f(4)	2A4	Pre	E	7500		Credit	Distribution of Income - Dividend	
1f(4)	2A4	Pre	E	7600		Credit	Changes in Actuarial Liability	
1g. Net Program Costs								
Calculations 1g = 1e + 1f(1) + 1f(2) + 1f(3) + 1f(4)								
2. Costs Not Assigned to Programs								
							Costs that cannot be directly traced or allocated to programs. This should be limited.	
2	2A5	Pre	E	6400		Debit	Benefit Program Expenses	
2	2A5	Pre	E	6900		Debit	Nonproduction Costs	
2	2A5	Pre	E	7110		Credit	Gains on Disposition of Assets	
2	2A5	Pre	E	7190		Credit	Other Gains	Exchange.
2	2A5	Pre	E	7210		Credit	Losses on Disposition of Assets	
2	2A5	Pre	E	7290		Credit	Other Losses	Exchange.
2	2A5	Pre	E	7500		Credit	Distribution of Income - Dividend	
2	2A5	Pre	E	7600		Credit	Changes in Actuarial Liability	
3. Less Other Earned Revenues Not Attributed to Programs								
							Earned revenues that cannot be directly traced or allocated to programs.	
3	2A6	Pre	E	5310		Credit	Interest Revenue	
3	2A6	Pre	E	5319		Debit	Contra Revenue for Interest	
3	2A6	Pre	E	5900		Credit	Other Revenue	
3	2A6	Pre	E	5909		Debit	Contra Revenue for Other Revenue	
3	2A6	Pre	E	5990		Debit	Collections for Others	Exchange, and entity incurs significant costs in relation to revenue collected. Related revenue account reported in line 1a(4) a
(Present revenues as positive numbers on the statement and schedules; i.e., change sign)								
4. Net Cost of Operations								
Calculations 4 = 1g + 2 - 3							Should tie with Net Cost of Operations displayed on the Statement of Changes in Net Position and Statement of Financing	

Exhibit F - Statement of Changes in Net Position for FY 2000 Reporting**USDA/TREAS**

<u>Line No</u>	<u>Line Title</u>	<u>Pre/Post</u>	<u>Trial Bal</u>	<u>Acct No</u>	<u>Account Title</u>	<u>Additional Information Required</u>
1	Net Cost of Operations				Net Cost of Operations	Amount reported on Statement of Net Cost
2	Financing Sources (other than exchange revenues):					
2A	Appropriations Used					
		Pre	E	5700	Expended Appropriations Used	Nonexchange
		Pre	E	5799	Adjustment of Appropriated Capital Used	Nonexchange
2B	Taxes (and other nonexchange revenue)					Nonexchange
		Pre	E	5310	Interest Revenue	Reported by recipient/non-custodial entity only
		Pre	E	5319	Contra Revenue for Interest	Reported by recipient/non-custodial entity only
		Pre	E	5320	Penalties, Fines and Administrative Fees Revenue	Reported by recipient/non-custodial entity only
		Pre	E	5329	Contra Revenue for Penalties, Fines and Administrative Fees	Reported by recipient/non-custodial entity only
		Pre	E	5800	Tax Revenues Collected	Nonexchange
		Pre	E	5801	Tax Revenue Accrual Adjustment	Nonexchange
		Pre	E	5809	Contra Revenue for Taxes	
		Pre	E	5890	Tax Revenues Refunded	
		Pre	E	5900	Other Revenue	
		Pre	E	5909	Contra Revenue for Other Revenue	
2C	Donations (nonexchange revenue)					
		Pre	E	5600	Donated Revenue Financial Resources	
		Pre	E	5609	Contra Revenue for Donations - Financial Resources	
		Pre	E	5610	Donated Revenue - Nonfinancial Resources	
		Pre	E	5619	Contra Donated Revenue - Nonfinancial Resources	
2D	Imputed Financing					
		Pre	E	5780	Imputed Financing Sources	
2E	Transfers-in					
		Pre	E	5720	Financing Sources Transferred-In Without Reimbursement	
		Pre	E	5740	Appropriated Earmarked Receipts Transferred In	
		Pre	E	5750	Expenditure Financing Sources - Transfers In	
		Pre	E	5755	Non-expenditure Trust Fund Financing Sources - Transfers In	
2F	Transfers-out					Nonexchange
		Pre	E	5730	Financing Sources Transferred-Out Without Reimbursement	Nonexchange
		Pre	E	5745	Appropriated Earmarked Receipts Transferred Out	Nonexchange
		Pre	E	5760	Expenditure Financing Sources - Transfers Out	
		Pre	E	5765	Non-expenditure Trust Fund Financing Sources - Transfers Out	

	2G	Other	
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Exhibit F (Cont.) - Statement of Changes in Net Position for FY 2000 Reporting**USDA TREAS**

<u>Line</u>	<u>Line</u>	<u>Pre/</u>	<u>Trial</u>	<u>Acct</u>	<u>Account</u>	
<u>No</u>	<u>Title</u>	<u>Post</u>	<u>Bal</u>	<u>No</u>	<u>Title</u>	<u>Additional Information Required</u>
		Pre	E	5790	Other Financing Sources	Nonexchange
		Pre	E	7110	Gains on Disposition of Assets	Nonexchange
		Pre	E	7190	Other Gains	Nonexchange
		Pre	E	7210	Losses on Disposition of Assets	Nonexchange
		Pre	E	7290	Other Losses	Nonexchange
		Pre	E	7500	Distribution of Income - Dividend	Nonexchange
3	Net Results of Operations			CALC	(2-1)	
4	Prior Period Adjustments					
		Pre	E	7400	Prior Period Adjustments	
5	Net Change in Cumulative Results of Operations			CALC	(3+OR-4)	
6	Increase (Decrease) in Unexpended Appropriations					Should also equal 3100E + 3310E
		Pre	E-B	3100	Appropriated Capital	
7	Change in Net Position			CALC	(5+OR-6)	
8	Net Position-Beginning of Period					
		Pre	B	3100	Appropriated Capital	
		Pre	B	3310	Cumulative Results of Operations	
9	Net Position-End of Period			CALC	(7+8)	Should also equal 3100E + 3310E

Exhibit F - Statement of Budgetary Resources for FY 2000 Reporting

USDA		Treas.							
Line	Line	Line		Pre/	Trial	Acct	Account		
No.	No.	Title		Post	Bal	No	Title	Additional Information Required	
BUDGETARY RESOURCES									
1a	1	Budget Authority (line 1)							
	1A	Appropriations							
			Pre	E		4111	Debt Liquidation Appropriations		
			Pre	E		4112	Deficiency Appropriations		
			Pre	E		4114	Appropriated Trust or Special Fund Receipts	*IntraAgency Elimination Trust Funds Only	
			Pre	E		4115	Loan Subsidy Appropriation - Definite - Current		
			Pre	E		4116	Entitlement Loan Subsidy Appropriation - Indefinite		
			Pre	E		4117	Loan Administrative Expense Appropriation - Definite - Current		
			Pre	E		4118	Re-estimated Discretionary Loan Subsidy Appropriation - Indef - Perm		
			Pre	E		4119	Other Appropriations Realized		
			Pre	E		4121	Loan Subsidy Appropriation - Indefinite - Current		
			Pre	E		4125	Loan Modification Adjustment Transfer Appropriation		
			Pre	E		4150	Other New Budget Authority		
			Pre	E		4391	Restorations, Writeoffs and Withdrawals		
	1B	Borrowing Authority							
			Pre	E		4042	Anticipated Borrowing Authority	Zero for final	
			Pre	E		4141	Current-Year Borrowing Authority Realized - Definite		
			Pre	E		4142	Current-Year Borrowing Authority Realized-Indefinite		
	1C	Contract Authority							
			Pre	E		4032	Anticipated Contract Authority	Zero for final	
			Pre	E		4131	Current-Year Contract Authority Realized - Definite		
			Pre	E		4132	Current-Year Contract Authority Realized-Indefinite		
	1D	Net Transfers, Current Year Authority							
			Pre	E		4170	Appropriation Transfers		
			Pre	E		4175	Allocation Transfers From Current-Year Balances (New Account in 2000)		
	1E	Other							
			Pre	E		4120	Appropriations Anticipated - Indefinite	Zero for final	
			Pre	E		4160	Anticipated Transfers of Current Fiscal Year Authority	Zero for final	
			Pre	E		4165	Anticipated Allocation Transfers From Current-Year Balances (New Account in 2000)	Zero for final	
1b	2	Unobligated Balance (line 2)							
	2A	Brought Forward October 1							
			Pre	B		4139	Contract Authority Carried Forward		
			Pre	B		4149	Borrowing Authority Carried Forward		
			Pre	B		4201	Total Actual Resources		
			Pre	B		4221	Unfilled Customer Orders Without Advance	IntraAgency Elimination	
			Pre	B		4222	Unfilled Customer Orders With Advance	IntraAgency Elimination	
			Pre	B		4225	Appropriation Trust Fund Expenditure Transfers - Receivable	IntraAgency Elimination	
			Pre	B		4251	Reimbursements and Other Income Earned - Receivable	IntraAgency Elimination	
			Pre	B		4281	Actual Program Fund Subsidy Receivable - Definite - Current	IntraAgency Elimination	
			Pre	B		4282	Actual Program Fund Subsidy Receivable - Indefinite - Permanent	IntraAgency Elimination	

	Pre	B	4283 Interest Receivable from Treasury	
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Exhibit F(Cont.) - Statement of Budgetary Resources for FY 2000 Reporting

<u>USDA</u>		<u>Treas.</u>					<u>Additional Information Required</u>
<u>Line</u>	<u>Line</u>	<u>Line</u>	<u>Pre/</u>	<u>Trial</u>	<u>Acct</u>	<u>Account</u>	
<u>No.</u>	<u>No.</u>	<u>Title</u>	<u>Post</u>	<u>Bal</u>	<u>No</u>	<u>Title</u>	
			Pre	B	4284	Actual Program Fund Subsidy Receivable - Indefinite - Current	IntraAgency Elimination
			Pre	B	4285	Receivable from Liquidating Fund	IntraAgency Elimination
			Pre	B	4286	Receivable from the Financing Fund	IntraAgency Elimination
			Pre	B	4287	Other Federal Receivables	IntraAgency Elimination
			Pre	B	4395	Authority Unavailable Pursuant to Public Law	
			Pre	B	4801	Unexpended Obligations - Unpaid	IntraAgency Elimination
			Pre	B	4802	Unexpended Obligations - Prepaid	IntraAgency Elimination
			Pre	B	4901	Expended Authority - Unpaid	IntraAgency Elimination
			Should equal:				
			Pre	B	4450	Unapportioned Authority	
			Pre	B	4620	Other Funds not Subject to Apportionment	
			Pre	B	4650	Allotments - Expired Authority	
2B	Net Transfers Prior-Year Balance, Actual (+ or -)						
			Pre	E	4176	Allocation Transfer - Prior-Year Balances	IntraAgency Elimination
			Pre	E	4190	Transfers - Prior-Year Authority	IntraAgency Elimination
2C	Anticipated Transfers Prior-Year Balance (+ or -)						
			Pre	E	4180	Anticipated Transfers - Prior-Year Balances	Zero for final
1c	3	Spending Authority from Offsetting Collections (line 3)					
	3A	Earned					
	3A1	Collected					
			Pre	E	4252	Reimbursements and Other Income Earned - Collected	IntraAgency Elimination
			Pre	E	4261	Actual Collection of Fees	
			Pre	E	4262	Actual Collection of Loan Principal	
			Pre	E	4263	Actual Collection of Loan Interest	
			Pre	E	4264	Actual Collection of Rent	
			Pre	E	4265	Actual Collections from Sale of Foreclosed Property	IntraAgency Elimination
			Pre	E	4266	Other Actual Collections - Non-Federal	
			Pre	E	4271	Actual Program Fund Subsidy Collected - Definite - Current	IntraAgency Elimination
			Pre	E	4272	Actual Program Fund Subsidy Collected - Indefinite - Permanent	IntraAgency Elimination
			Pre	E	4273	Interest Collected from Treasury	
			Pre	E	4274	Actual Program Fund Subsidy Collected - Indefinite - Current	IntraAgency Elimination
			Pre	E	4275	Actual Collections from Liquidating Fund	IntraAgency Elimination
			Pre	E	4276	Actual Collections from Financing Fund	IntraAgency Elimination
			Pre	E	4277	Other Actual Collections - Federal	IntraAgency Elimination
			Pre	E	4872	Downward Adjustments of Prior-Year Prepaid Unexpended Obligations Refunds Collected	IntraAgency Elimination
			Pre	E	4972	Downward Adjust. of Prior-Year Expended Authority - Paid - Refunds Collected	IntraAgency Elimination
	3A2	Receivable from Federal Sources					
			Pre	E-B	4251	Reimbursements and Other Income Earned - Receivable	IntraAgency Elimination
			Pre	E-B	4281	Actual Program Fund Subsidy Receivable - Definite - Current	IntraAgency Elimination
			Pre	E-B	4282	Actual Program Fund Subsidy Receivable - Indefinite - Permanent	IntraAgency Elimination
			Pre	E-B	4283	Interest Receivable from Treasury	
			Pre	E-B	4284	Actual Program Fund Subsidy Receivable - Indefinite - Current	IntraAgency Elimination
			Pre	E-B	4285	Receivable from Liquidating Fund	IntraAgency Elimination

Exhibit F(Cont.) - Statement of Budgetary Resources for FY 2000 Reporting

<u>USDA</u>	<u>Treas.</u>							
<u>Line</u>	<u>Line</u>	<u>Line</u>	<u>Pre/</u>	<u>Trial</u>	<u>Acct</u>	<u>Account</u>		
<u>No.</u>	<u>No.</u>	<u>Title</u>	<u>Post</u>	<u>Bal</u>	<u>No</u>	<u>Title</u>	<u>Additional Information Required</u>	
			Pre	E-B	4286	Receivable from the Financing Fund	IntraAgency Elimination	
			Pre	E-B	4287	Other Federal Receivables	IntraAgency Elimination	
3B		Change in Unfilled Customer Orders						
3B1		Advance Received						
			Pre	E-B	4222	Unfilled Customer Orders With Advance	Obligated amount only for final in year of expiration. IntraAgency Elimination	
3B2		Without Advance from Federal Sources						
			Pre	E-B	4221	Unfilled Customer Orders Without Advance	Obligated amount only for final in year of expiration. IntraAgency Elimination	
3C		Anticipated for the Rest of Year						
3C1		Advance for Anticipated Orders						
						Use only with prior OMB approval		
3C2		Without Advance						
			Pre	E	4060	Anticipated Collections from Non-Federal Sources	Debit balances. Zero for final	
			Pre	E	4070	Anticipated Collections from Federal Sources	Debit balances. Zero for final	
			Pre	E	4210	Anticipated Reimbursements and Other Income	Debit balances. Zero for final	
3D		Transfers from Trust Funds						
3D1		Collected						
			Pre	E	4255	Appropriation Trust Fund Expenditure Transfers - Collected	IntraAgency Elimination	
3D2		Anticipated						
			Pre	E	4215	Anticipated Appropriation Trust Fund Expenditure Transfers	Zero for final	
			Pre	E-B	4225	Appropriation Trust Fund Expenditure Transfers - Receivable	IntraAgency Elimination	
1d	4	Adjustments (line 4-6)						
	4A	Recoveries of Prior Year Obligations						
			Pre	E	4310	Anticipated Recoveries of Prior-Year Obligations	Unexpired accounts only. Debit balances. Zero for final	
			Pre	E	4871	Downward Adjustments of Prior-Year Unpaid Unexpended Obligations	IntraAgency Elimination	
			Pre	E	4971	Downward Adjustments of Prior-Year Expended Authority - Unpaid	IntraAgency Elimination	
	4B	Temporarily Not Available Pursuant to Public Law						
			Pre	E-B	4395	Authority Unavailable Pursuant to Public Law		
	4C	Permanently Not Available						
	4C1	Cancellation of Expired and No Year Accounts						
			Pre	E	4350	Canceled Authority		
	4C2	Enacted Rescissions of Prior Year Balances						
			Pre	E	4392	Rescissions - Current Year		
			Pre	E	4393	Rescissions - Prior-Year	Reductions not affecting more than one account	
	4C3	Capital Transfers and Redemption of Debt						
			Pre	E	4147	Actual Payments to Treasury (new title in 2000) Actual Transfers to Treasury)		

Exhibit F(Cont.) - Statement of Budgetary Resources for FY 2000 Reporting

USDA		Treas.							
Line	Line	Line		Pre/	Trial	Acct	Account		
No.	No.	Title		Post	Bal	No	Title		Additional Information Required
	4C4	Other Authority Withdrawn							
			Pre	E		4133	Actual Reductions to Contract Authority		
			Pre	E		4143	Actual Reductions to Borrowing Authority		
			Pre	E		4391	Adjustments to Indefinite No-Year Authority		
	4C5	Prusuant to Public Law							
			Pre	E		4396	Authority Permanently not Available Pursuant to Public Law	Reductions affecting more than one account and	
	4C6	Anticipated for Rest of Year							reappropriation reductions
			Pre	E		4034	Anticipated Reductions to Contract Authority	Zero for final	
			Pre	E		4044	Anticipated Reductions to Borrowing Authority	Zero for final	
			Pre	E		4047	Anticipated Payments to Treasury (new Title in 2000) Anticipated Transfers to Treasury	Zero for final	
1	5	Total Budgetary Resources							
							CALC (1..4)		
		STATUS OF BUDGETARY RESOURCES							
2a	6	Obligations Incurred (line 8)*							
			Pre	E-B		4801	Unexpended Obligations - Unpaid		
			Pre	E-B		4802	Unexpended Obligations - Prepaid		
			Pre	E		4881	Upward Adjustments of Prior-Year Unpaid Unexpended Obligations		
			Pre	E		4882	Upward Adjustments of Prior-Year Prepaid Unexpended Obligations		
			Pre	E-B		4901	Expended Authority - Unpaid		
			Pre	E		4902	Expended Authority - Paid		
			Pre	E		4981	Upward Adjustments of Prior-Year Expended Authority - Unpaid		
			Pre	E		4982	Upward Adjustments of Prior-Year Expended Authority - Paid		
2b	7	Unobligated Balances Available (line 9)							
	7A1	#N/A							
			Pre	E		4510	Apportionments	Through current period	
			Pre	E		4610	Allotments - Realized Resources		
			Pre	E		4700	Commitments		
	7A2	#N/A							
			Pre	E		4590	Apportionments Unavailable - Anticipated Resources	Anticipated. Available for obligation when resource is collected.	
	7B	Exempt from Apportionment							
			Pre	E		4620	Other Funds not Subject to Apportionment		
	7C	Other							
							Use only with prior OMB approval		
2c	8	Unobligated Balances Not Yet Available (line 9)							
	8A	Apportioned for Subsequent Periods							
			Pre	E		4510	Apportionments	Subsequent periods	
	8B	Deferred							
			Pre	E		4430	Unapportioned Authority - OMB Deferral		

Exhibit F(Cont.) - Statement of Budgetary Resources for FY 2000 Reporting

USDA		Treas.							
Line	Line	Line		Pre/	Trial	Acct	Account		
No.	No.	Title		Post	Bal	No	Title		Additional Information Required
	8C	Withheld Pending Rescission		Pre	E	4420	Unapportioned Authority - Pending Rescission		
	8D	Other		Pre	E	4060	Anticipated Collections from Non-Federal Sources	Unexpired accounts only. Credit balances. Zero for final	
				Pre	E	4070	Anticipated Collections from Federal Sources	Unexpired accounts only. Credit balances. Zero for final	
				Pre	E	4210	Anticipated Reimbursements and Other Income	Unexpired accounts only. Credit balances. Zero for final	
				Pre	E	4310	Anticipated Recoveries of Prior-Year Obligations	Unexpired accounts only. Credit balances. Zero for final	
				Pre	E	4450	Unapportioned Authority		
				Pre	E	4630	Funds Not Available for Commitment/Obligation		
				Pre	E	4650	Allotments - Expired Authority	Expired accounts only	
2d	9	Total Status of Budgetary Resources (line 11)							
						CALC	(6..8)		
		OUTLAYS							
3a	10	Obligations Incurred (line 8)*		Pre	E-B	4801	Unexpended Obligations - Unpaid	IntraAgency Elimination	
				Pre	E-B	4802	Unexpended Obligations - Prepaid	IntraAgency Elimination	
				Pre	E	4881	Upward Adjustments of Prior-Year Unpaid Unexpended Obligations	IntraAgency Elimination	
				Pre	E	4882	Upward Adjustments of Prior-Year Prepaid Unexpended Obligations	IntraAgency Elimination	
				Pre	E-B	4901	Expended Authority - Unpaid	IntraAgency Elimination	
				Pre	E	4902	Expended Authority - Paid	IntraAgency Elimination	
				Pre	E	4981	Upward Adjustments of Prior-Year Expended Authority - Unpaid	IntraAgency Elimination	
				Pre	E	4982	Upward Adjustments of Prior-Year Expended Authority - Paid	IntraAgency Elimination	
3b	11	Less: Spending Authority From Offsetting Collections and Adjustments (lines 3A, B, D, & 4A)							
	11A	Earned							
	11A1	Collected		Pre	E	4252	Reimbursements and Other Income Earned - Collected	IntraAgency Elimination	
				Pre	E	4261	Actual Collection of Fees		
				Pre	E	4262	Actual Collection of Loan Principal		
				Pre	E	4263	Actual Collection of Loan Interest		
				Pre	E	4264	Actual Collection of Rent		
				Pre	E	4265	Actual Collections from Sale of Foreclosed Property	IntraAgency Elimination	
				Pre	E	4266	Other Actual Collections - Non-Federal		
				Pre	E	4271	Actual Program Fund Subsidy Collected - Definite - Current	IntraAgency Elimination	
				Pre	E	4272	Actual Program Fund Subsidy Collected - Indefinite - Permanent	IntraAgency Elimination	
				Pre	E	4273	Interest Collected from Treasury		
				Pre	E	4274	Actual Program Fund Subsidy Collected - Indefinite - Current	IntraAgency Elimination	
				Pre	E	4275	Actual Collections from Liquidating Fund	IntraAgency Elimination	
				Pre	E	4276	Actual Collections from Financing Fund	IntraAgency Elimination	
				Pre	E	4277	Other Actual Collections - Federal	IntraAgency Elimination	
				Pre	E	4872	Downward Adjustments of Prior-Year Prepaid Unexpended Obligations Refunds Collected	IntraAgency Elimination	

Exhibit F(Cont.) - Statement of Budgetary Resources for FY 2000 Reporting

USDA		Treas.						
Line	Line	Line		Pre/	Trial	Acct	Account	
No.	No	Title		Post	Bal	No	Title	Additional Information Required
				Pre	E	4972	Downward Adjust. of Prior-Year Expended Authority - Paid - Refunds Collected	IntraAgency Elimination
11A2		Receivable from Federal Sources						
				Pre	E-B	4251	Reimbursements and Other Income Earned - Receivable	IntraAgency Elimination
				Pre	E-B	4281	Actual Program Fund Subsidy Receivable - Definite - Current	IntraAgency Elimination
				Pre	E-B	4282	Actual Program Fund Subsidy Receivable - Indefinite - Permanent	IntraAgency Elimination
				Pre	E-B	4283	Interest Receivable from Treasury	
				Pre	E-B	4284	Actual Program Fund Subsidy Receivable - Indefinite - Current	IntraAgency Elimination
				Pre	E-B	4285	Receivable from Liquidating Fund	IntraAgency Elimination
				Pre	E-B	4286	Receivable from the Financing Fund	IntraAgency Elimination
				Pre	E-B	4287	Other Federal Receivables	IntraAgency Elimination
11B		Change in Unfilled Customer Orders						
11B1		Advance Received						
				Pre	E-B	4222	Unfilled Customer Orders With Advance	Obligated amount only for final in year of expiration
11B2		Without Advance from Federal Sources						
				Pre	E-B	4221	Unfilled Customer Orders Without Advance	Obligated amount only for final in year of expiration
11C		Transfers From Trust Funds						
11C1		Collected						
				Pre	E	4255	Appropriation Trust Fund Expenditure Transfers - Collected	IntraAgency Elimination
				Pre	E	4215	Anticipated Appropriation Trust Fund Expenditure Transfers	Zero for final
				Pre	E-B	4225	Appropriation Trust Fund Expenditure Transfers - Receivable	IntraAgency Elimination
11D		Actual Recoveries of Prior Year Obligations						
				Pre	E	4871	Downward Adjustments of Prior-Year Unpaid Unexpended Obligations	IntraAgency Elimination
				Pre	E	4971	Downward Adjustments of Prior-Year Expended Authority - Unpaid	IntraAgency Elimination
3c	12	Obligated Balance, Net - Beginning of the Period (line 12)						
				Pre	B	4221	Unfilled Customer Orders Without Advance	IntraAgency Elimination
				Pre	B	4225	Appropriation Trust Fund Expenditure Transfers - Receivable	IntraAgency Elimination
				Pre	B	4251	Reimbursements and Other Income Earned - Receivable	IntraAgency Elimination
		#N/A		Pre	B	4281	Actual Program Fund Subsidy Receivable - Definite - Current	IntraAgency Elimination
				Pre	B	4282	Actual Program Fund Subsidy Receivable - Indefinite - Permanent	IntraAgency Elimination
				Pre	B	4283	Interest Receivable from Treasury	
				Pre	B	4284	Actual Program Fund Subsidy Receivable - Indefinite - Current	IntraAgency Elimination
				Pre	B	4285	Receivable from Liquidating Fund	IntraAgency Elimination
				Pre	B	4286	Receivable from the Financing Fund	IntraAgency Elimination
				Pre	B	4287	Other Federal Receivables	IntraAgency Elimination
				Pre	B	4801	Unexpended Obligations - Unpaid	IntraAgency Elimination
				Pre	B	4901	Expended Authority - Unpaid	IntraAgency Elimination

Exhibit F(Cont.) - Statement of Budgetary Resources for FY 2000 Reporting

USDA		Treas.						
Line	Line	Line		Pre/	Trial	Acct	Account	
No.	No.	Title		Post	Bal	No	Title	Additional Information Required
				Pre	E	4931	Expended Authority, Transferred-Unpaid	IntraAgency Elimination
3d	13	Obligated Balance Transferred, Net (line 13)						
				Pre	E	4831	Unexpended Obligations, Transferred - Unpaid	IntraAgency Elimination
3	14	Less: Obligated Balance, Net - End of Period (line 14)						
	14A	Accounts Receivable						
				Pre	E	4225	Appropriation Trust Fund Expenditure Transfers - Receivable	IntraAgency Elimination
				Pre	E	4251	Reimbursements and Other Income Earned - Receivable	IntraAgency Elimination
				Pre	E	4281	Actual Program Fund Subsidy Receivable - Definite - Current	IntraAgency Elimination
				Pre	E	4282	Actual Program Fund Subsidy Receivable - Indefinite - Permanent	IntraAgency Elimination
				Pre	E	4283	Interest Receivable from Treasury	
				Pre	E	4284	Actual Program Fund Subsidy Receivable - Indefinite - Current	IntraAgency Elimination
				Pre	E	4285	Receivable from Liquidating Fund	IntraAgency Elimination
				Pre	E	4286	Receivable from the Financing Fund	IntraAgency Elimination
				Pre	E	4287	Other Federal Receivables	IntraAgency Elimination
	14B	Unfilled Customer Orders						
	14B1	Federal Sources Without Advance						
				Pre	E	4221	Unfilled Customer Orders Without Advance	
	14B2	Used only with prior OMB Approval						
							Use only with prior OMB approval	
	14B3	Used only with prior OMB Approval						
							Use only with prior OMB approval	
	14C	Undelivered Orders						
				Pre	E	4801	Unexpended Obligations - Unpaid	IntraAgency Elimination
				Pre	E	4831	Unexpended Obligations, Transferred - Unpaid	IntraAgency Elimination
				Pre	E	4871	Downward Adjustments of Prior-Year Unpaid Unexpended Obligations	IntraAgency Elimination
				Pre	E	4881	Upward Adjustments of Prior-Year Unpaid Unexpended Obligations	IntraAgency Elimination
	14D	Accounts Payable						
				Pre	E	4901	Expended Authority - Unpaid	IntraAgency Elimination
				Pre	E	4931	Expended Authority, Transferred-Unpaid	IntraAgency Elimination
				Pre	E	4971	Downward Adjustments of Prior-Year Expended Authority - Unpaid	IntraAgency Elimination
				Pre	E	4981	Upward Adjustments of Prior-Year Expended Authority - Unpaid	IntraAgency Elimination
3f	15	Total Outlays (line 15)						
				Should equal:	CALC	10 - 11 + 12 + or - 13 - (-14A - 14B + 14C + 14D)		
	15A	#N/A						
				Pre	E-B	4802	Unexpended Obligations - Prepaid	IntraAgency Elimination
				Pre	E	4902	Expended Authority - Paid	IntraAgency Elimination
				Pre	E	4882	Upward Adjustments of Prior-Year Prepaid Unexpended Obligations	IntraAgency Elimination
				Pre	E	4982	Upward Adjustments of Prior-Year Expended Authority - Paid	IntraAgency Elimination

Exhibit F(Cont.) - Statement of Budgetary Resources for FY 2000 Reporting

<u>USDA</u>		<u>Treas.</u>						<u>Additional Information Required</u>
<u>Line</u>	<u>Line</u>	<u>Line</u>		<u>Pre/</u>	<u>Trial</u>	<u>Acct</u>	<u>Account</u>	
<u>No.</u>	<u>No</u>	<u>Title</u>		<u>Post</u>	<u>Bal</u>	<u>No</u>	<u>Title</u>	
	15B	#N/A						
				Pre	E-B	4222	Unfilled Customer Orders With Advance	Obligated amount only for final in year of expiration. IntraAgency Elimination
				Pre	E	4252	Reimbursements and Other Income Earned - Collected	IntraAgency Elimination
				Pre	E	4255	Appropriation Trust Fund Expenditure Transfers - Collected	IntraAgency Elimination
				Pre	E	4261	Actual Collection of Fees	
				Pre	E	4262	Actual Collection of Loan Principal	
				Pre	E	4263	Actual Collection of Loan Interest	
				Pre	E	4264	Actual Collection of Rent	
				Pre	E	4265	Actual Collections from Sale of Foreclosed Property	IntraAgency Elimination
				Pre	E	4266	Other Actual Collections - Non-Federal	
				Pre	E	4271	Actual Program Fund Subsidy Collected - Definite - Current	IntraAgency Elimination
				Pre	E	4272	Actual Program Fund Subsidy Collected - Indefinite - Permanent	IntraAgency Elimination
				Pre	E	4273	Interest Collected from Treasury	IntraAgency Elimination
				Pre	E	4274	Actual Program Fund Subsidy Collected - Indefinite - Current	IntraAgency Elimination
				Pre	E	4275	Actual Collections from Liquidating Fund	IntraAgency Elimination
				Pre	E	4276	Actual Collections from Financing Fund	IntraAgency Elimination
				Pre	E	4277	Other Actual Collections - Federal	IntraAgency Elimination
				Pre	E	4872	Downward Adjustments of Prior-Year Prepaid Unexpended Obligations Refunds Collected	IntraAgency Elimination
				Pre	E	4972	Downward Adjust. of Prior-Year Expended Authority - Paid - Refunds Collected	IntraAgency Elimination

* The Phrase "Intra-agency Elimination" in the Additional Information Required column refers to accounts that may need to be eliminated within your agency (ex. Between bureaus) prior to preparing a Consolidated Statement of Budgetary Resources.

Exhibit 14F - Statement of Financing Crosswalk for FY 2000 Reporting

The level of detail required to accurately complete the statement of financing is beyond that available in the Standard General Ledger. Simply following this crosswalk may not provide a reconciled statement of financing. In some instances, such as asset acquisition and disposition, it will be necessary to analyze transactions to obtain the required data.

<u>USDA</u>		<u>SGL</u>									
<u>Line</u>	<u>Line</u>	<u>Pre/</u>	<u>Trial</u>	<u>Acct</u>							
<u>No.</u>	<u>No.</u>	<u>Post</u>	<u>Bal</u>	<u>No</u>	<u>Account Title</u>	<u>Additional Information Required</u>					
Resources Used to Finance Operations											
Budgetary											
Budgetary Resources Obligated for Items to be Received or Provided to Others											
1a1	1A	Pre	E-B	4801	Undelivered Orders - Unpaid						
1a1	1A	Pre	E-B	4802	Undelivered Orders - Paid						
1a1	1A	Pre	E	4881	Upward Adjustments of Prior-Year Unpaid Undelivered Orders						
1a1	1A	Pre	E	4882	Upward Adjustments of Prior-Year Paid Undelivered Orders						
1a1	1A	Pre	E-B	4901	Expended Authority - Unpaid						
1a1	1A	Pre	E	4902	Expended Authority - Paid						
1a1	1A	Pre	E	4981	Upward Adjustments of Prior-Year Unpaid Expended Authority						
1a1	1A	Pre	E	4982	Upward Adjustments of Prior-Year Paid Expended Authority						
Less: Offsetting Collections, Recoveries of Prior-year Authority, and Changes in Unfilled Customer Orders											
1a2	1B1a	Pre	E	4252	Reimbursements and Other Income Earned - Collected						
1a2	1B1a	Pre	E	4261	Actual Collection of Fees						
1a2	1B1a	Pre	E	4262	Actual Collection of Loan Principal						
1a2	1B1a	Pre	E	4263	Actual Collection of Loan Interest						
1a2	1B1a	Pre	E	4264	Actual Collection of Rent						
1a2	1B1a	Pre	E	4265	Actual Collections from Sale of Foreclosed Property						
1a2	1B1a	Pre	E	4266	Other Actual Collections - Nonfederal						
1a2	1B1a	Pre	E	4271	Actual Program Fund Subsidy Collected - Definite - Current						
1a2	1B1a	Pre	E	4272	Actual Program Fund Subsidy Collected - Indefinite - Permanent						
1a2	1B1a	Pre	E	4273	Interest Collected from Treasury						
1a2	1B1a	Pre	E	4274	Actual Program Fund Subsidy Collected - Indefinite - Current						
1a2	1B1a	Pre	E	4275	Actual Collections from Liquidating Fund						
1a2	1B1a	Pre	E	4276	Actual Collections from Financing Fund						
1a2	1B1a	Pre	E	4277	Other Actual Collections - Federal						
1a2	1B1a	Pre	E	4872	Downward Adjustments of Prior-Year Paid Undelivered Orders Refunds Collected						
1a2	1B1a	Pre	E	4972	Downward Adjustments of Prior-Year Paid Expended Authority Refunds Collected						
1a2	1B1b	Pre	E-B	4251	Reimbursements and Other Income Earned - Receivable						
1a2	1B1b	Pre	E-B	4281	Actual Program Fund Subsidy Receivable - Definite - Current						
1a2	1B1b	Pre	E-B	4282	Actual Program Fund Subsidy Receivable - Indefinite - Permanent						
1a2	1B1b	Pre	E-B	4283	Interest Receivable from Treasury						
1a2	1B1b	Pre	E-B	4284	Actual Program Fund Subsidy Receivable - Indefinite - Current						
1a2	1B1b	Pre	E-B	4285	Receivable from Liquidating Fund						
1a2	1B1b	Pre	E-B	4286	Receivable from the Financing Fund						
1a2	1B1b	Pre	E-B	4287	Other Federal Receivables						
1a2	1B2	Pre	E-B	4222	Unfilled Customer Orders with Advance	Obligated amounts only for final in year of expiration (decreases)/Increases.					
1a2	1B2	Pre	E-B	4221	Unfilled Customer Orders without Advance	Obligated amounts only for final in year of expiration (decreases)/Increases.					
1a2	1B3	Pre	E-B	4225	Appropriation Trust Fund Expenditure Transfers - Receivable						
1a2	1B3	Pre	E	4255	Appropriation Trust Fund Expenditure Transfers - Collected						

Exhibit 14F - Statement of Financing Crosswalk for FY 2000 Reporting

The level of detail required to accurately complete the statement of financing is beyond that available in the Standard General Ledger. Simply following this crosswalk may not provide a reconciled statement of financing. In some instances, such as asset acquisition and disposition, it will be necessary to analyze transactions to obtain the required data.

<u>USDA</u>		<u>SGL</u>									
<u>Line</u>	<u>Line</u>	<u>Pre/</u>	<u>Trial</u>	<u>Acct</u>							
<u>No.</u>	<u>No.</u>	<u>Post</u>	<u>Bal</u>	<u>No</u>	<u>Account Title</u>	<u>Additional Information Required</u>					
1a2	1B4	Pre	E	4871	Downward Adjustments of Prior-Year Unpaid Undelivered Orders						
					The activity reported on line 1b4 is a component of net cost and would normally be classified as offsetting collections but is not reported as such based on instructions in OMB Circular A-34. Therefore, this line adjusts obligations as do offsetting collections reported on line 1a2.						
1a2	1B4	Pre	E	4971	Downward Adjustments of Prior-Year Unpaid Expended Authority						
1a3	Sum of section (1a1 less 1a2)										
Non-budgetary											
Property Received from Others Without Reimbursement											
1b1	1C	Pre	E	5610	Donated Revenue - Nonfinancial Resources	Other than cash					
1b1	1C	Pre	E	5619	Contra Revenue for Donations - Nonfinancial Resources	Other than cash					
1b1	1E	Pre	E	5720	Financing Sources Transferred In Without Reimbursement	Only related to tangible assets transferring in - noncash.					
Less: Property Given to Others Without Reimbursement											
1b2	1E	Pre	E	5730	Financing Sources Transferred Out Without Reimbursement	Only related to tangible assets transferring out - noncash.					
Costs Incurred by Others Without Reimbursement											
1b3	1D	Pre	E	5780	Imputed Financing Sources	Non-budgetary					
Other Non-budgetary Resources											
1b4	1I		E	5790	Other Financing Sources						
1b4	1H	Pre	E	5100	Revenue from Goods Sold	Subtract trust or special fund receipts related to exchange revenue in the entity's budget.					
1b4	1H	Pre	E	5109	Contra Revenue for Goods Sold	Trust or special fund receipts related to exchange revenue in the entity's budget.					
1b4	1H	Pre	E	5200	Revenue from Services Provided	Subtract trust or special fund receipts related to exchange revenue in the entity's budget.					
1b4	1H	Pre	E	5209	Contra Revenue for Service Provided	Trust or special fund receipts related to exchange revenue in the entity's budget.					
1b4	1H	Pre	E	5310	Interest Revenue	Subtract trust or special fund receipts related to exchange revenue in the entity's budget.					
1b4	1H	Pre	E	5319	Contra Interest Revenue	Trust or special fund receipts related to exchange revenue in the entity's budget.					
1b4	1H	Pre	E	5320	Penalties, Fines and Administrative Fees Revenue	Subtract trust or special fund receipts related to exchange revenue in the entity's budget					
1b4	1H	Pre	E	5329	Contra Revenue for Penalties, Fines and Administrative Fees	Trust or special fund receipts related to exchange revenue in the entity's budget					
1b4	1H	Pre	E	5400	Benefit Program Revenue	Subtract trust or special fund receipts related to exchange revenue in the entity's budget.					
1b4	1H	Pre	E	5409	Contra Revenue for Benefit Program Revenue	Trust or special fund receipts related to exchange revenue in the entity's budget.					

Exhibit 14F - Statement of Financing Crosswalk for FY 2000 Reporting

The level of detail required to accurately complete the statement of financing is beyond that available in the Standard General Ledger. Simply following this crosswalk may not provide a reconciled statement of financing. In some instances, such as asset acquisition and disposition, it will be necessary to analyze transactions to obtain the required data.

<u>USDA</u>	<u>SGL</u>					
<u>Line</u>	<u>Line</u>	<u>Pre/</u>	<u>Trial</u>	<u>Acct</u>		
<u>No.</u>	<u>No.</u>	<u>Post</u>	<u>Bal</u>	<u>No</u>	<u>Account Title</u>	<u>Additional Information Required</u>
1b4	1H	Pre	E	5900	Other Revenue	Subtract trust or special fund receipts related to exchange revenue in the entity's budget.
1b4	1H	Pre	E	5909	Contra Revenue for Other Revenue	Trust or special fund receipts related to exchange revenue in the entity's budget.
	1H			CALC	1A - (1B1a + 1B1b +or- 1B2 + 1B3 + 1B4) + 1C + 1D +or- 1E +or- 1F +or- 1G + 1H	
1b5	Sum of section (1b1 - 1b2 + 1b3 + 1b4)					
1c	Sum of section totals (1a3 + 1b5)					

Resources used to fund items not part of the net cost of operations s Used to Fund Items Not Part of the Net Cost of Operations

Increase or (decrease) in Budgetary Resources Obligated to Order Goods or Services Not Yet Received or Benefits Not Yet Provided

2a	2A	Pre	E-B	4801	Undelivered Orders - Unpaid	Net (Increases)/Decreases
2a	2A	Pre	E	4881	Upward Adjustments of Prior-Year Unpaid Undelivered Orders	
2a	2A	Pre	E-B	4802	Undelivered Orders - Paid	Net (Increases)/Decreases
2a	2A	Pre	E	4882	Upward Adjustments of Prior-Year Paid Undelivered Orders	

Budgetary Offsetting Collections Not Increasing Exchange Revenue or Decreasing Expense

2b	1G	Pre	E-B	1340	Interest Receivable	Accrued interest from Treasury securities held by special and trust funds.
2b	1G	Pre	E	5900	Other Revenue	Portion associated with non-exchange revenue.
2b	1G	Pre	E	5909	Contra Revenue for Other Revenue	Portion associated with non-exchange revenue.
2b	2C2	Pre	E-B	1350	Loans Receivable	Credit reform loans.
2b	2C2	Pre	E-B	4901	Expended Authority - Unpaid	Credit reform loans.
2b	2C2	Pre	E	4902	Expended Authority - Paid	Credit reform loans.
2b	2C2	Pre	E	4971	Downward Adjustments of Prior-Year Unpaid Expended Authority	Credit reform loans financing account/liquidating account.
2b	2C2	Pre	E	4972	Downward Adjustments of Prior-Year Paid Expended Authority Refunds Collected	Credit reform loans financing account/liquidating account.
2b	2C2	Pre	E	4981	Upward Adjustments of Prior-Year Unpaid Expended Authority	Credit reform loans financing account/liquidating account.
2b	2C2	Pre	E	4982	Upward Adjustments of Prior-Year Paid Expended Authority	Credit reform loans financing account/liquidating account.
2b	2E	Pre	E	4261	Actual Collection of Fees	Credit reform.
2b	2E	Pre	E	4262	Actual Collection of Loan Principal	Credit reform.
2b	2E	Pre	E	4264	Actual Collection of Rent	Credit reform.
2b	2E	Pre	E	4265	Actual Collections from Foreclosed Property	Credit reform.
2b	2E	Pre	E	4266	Other Actual collections - Nonfederal	Credit reform, portion that increases loan guarantee liability or allowance for subsidy.
2b	2E	Pre	E	4271	Actual Program Fund Subsidy Collected - Definite - Current	Credit reform.
2b	2E	Pre	E	4272	Actual Program Fund Subsidy Collected - Indefinite - Permanent	Credit reform.

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2b	2E	Pre	E	4274	Actual Program Fund Subsidy Collected - Indefinite - Current	Credit reform.
2b	2E	Pre	E	4275	Actual Collections from Liquidating Fund	Credit reform, portion that increases loan guarantee liability or allowance for subsidy.
2b	2E	Pre	E	4277	Other Actual collections - Federal	Credit reform, portion that increases loan guarantee liability or allowance for subsidy.
2b	2E	Pre	E-B	4281	Actual Program Fund Subsidy Receivable - Definite - Current	Credit reform.
2b	2E	Pre	E-B	4282	Actual Program Fund Subsidy Receivable - Indefinite - Permanent	Credit reform.
2b	2E	Pre	E-B	4284	Actual Program Fund Subsidy Receivable - Indefinite - Current	Credit reform.
2b	2E	Pre	E-B	4285	Receivable from the Liquidating Fund	Credit reform.
2b	2E	Pre	E-B	4286	Receivable from the Financing Fund	Credit reform.
2b	2E	Pre	E-B	4287	Other Federal Receivables	Credit reform.
Less: Adjustments Made to Compute Net Budgetary Resources Not Affecting Net Cost of Operations						
2c	2B	Pre	E-B	4221	Unfilled Customer Orders without Advance	
2c	2B	Pre	E-B	4222	Unfilled Customer Orders with Advance	
2c	2A	Pre	E	4871	Downward Adjustments of Prior-Year Unpaid Undelivered Orders	
2c	2A	Pre	E	4872	Downward Adjustments of Prior-Year Paid Undelivered Orders Refunds Collected	
Resources Funding Expenses Recognized in Prior Period						
2d	2D	Pre	E	4118	Re-estimated Discretionary Loan Subsidy appropriation - Indefinite Permanent	Credit reform loans.
2d	2D	Pre	E	6790	Other Expenses Not Requiring Budgetary Resources	Net debit balance for vendor overpayments collected.
		-OR-			The collection of vendor overpayments is a resource that does not affect net cost of operations. The amount of vendor overpayments may be derived from 1) the change in accounts receivable or 2) the increase to SGL 6790 which is recorded when the collection is received.	
2d	2D	Pre	E-B	1310	Accounts Receivable	Vendor overpayments collected.
2d*	2D	Pre	E-B	2160	Entitlement Benefits Due and Payable	If net decrease, unfunded.
2d*	2D	Pre	E-B	2170	Subsidy Payable to Financing Account	Credit reform. If net decrease, unfunded.
2d*	2D	Pre	E-B	2190	Other Accrued Liabilities	If net decrease, unfunded.
2d*	2D	Pre	E-B	2220	Accrued Unfunded Liabilities	If net decrease.
2d*	2D	Pre	E-B	2225	Unfunded FECA Liability	If net decrease.
2d*	2D	Pre	E-B	2290	Other Unfunded Employment Related Liability	If net decrease.
2d*	2D	Pre	E-B	2610	Retirement Plans	If net decrease.
2d*	2D	Pre	E-B	2620	Insurance Plans	If net decrease.
2d*	2D	Pre	E-B	2630	Actuarial Life Insurance Liability	If net decrease.
2d*	2D	Pre	E-B	2650	Actuarial FECA Liability	If net decrease.
2d*	2D	Pre	E-B	2690	Other Actuarial Liabilities	If net decrease.
2d*	2D	Pre	E-B	2920	Contingent Liabilities	If net decrease.
2d*	2D	Pre	E-B	2940	Capital Lease Liability	If net decrease. Related to payment made prior to FY 1991.

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2d*	2D	Pre	E-B	2990	Other Liabilities	If net decrease.
2d*	2D	Pre	E-B	2995	Accrued Cleanup Cost	If net decrease.
		-OR-				
					* If financing sources that fund costs of prior periods can not be derived from the change in the unfunded liabilities, record a decrease to future funded expenses, SGL account 6800, when funding becomes available. The decrease (credit balances) are reported as financing sources that fund costs of prior periods.	
2d	2D	Pre	E	6800	Future Funded Expenses	Credit account balance.
Resources Financing the Acquisition of Assets or Liquidation of Liabilities						
2e	2C1	Pre	E-B	1711	Land and Land Rights	
2e	2C1	Pre	E-B	1712	Improvements to Land	
2e	2C1	Pre	E-B	1719	Accumulated Depreciation on Improvements to Land	Use to adjust book value of assets upon disposition.
2e	2C1	Pre	E-B	1720	Construction in Progress	
2e	2C1	Pre	E-B	1730	Buildings, Improvements, and Renovations	
2e	2C1	Pre	E-B	1739	Accumulated Depreciation on Buildings, Improvements, and Renovations	Use to adjust book value of assets upon disposition.
2e	2C1	Pre	E-B	1740	Other Structures and Facilities	
2e	2C1	Pre	E-B	1749	Accumulated Depreciation on Other Structures and Facilities	Use to adjust book value of assets upon disposition.
2e	2C1	Pre	E-B	1750	Equipment	
2e	2C1	Pre	E-B	1759	Accumulated Depreciation on Equipment	Use to adjust book value of assets upon disposition.
2e	2C1	Pre	E-B	1810	Assets Under Capital Lease	
2e	2C1	Pre	E-B	1819	Accumulated Depreciation on Assets Under Capital Lease	Use to adjust book value of assets upon disposition.
2e	2C1	Pre	E-B	1820	Leasehold Improvements	
2e	2C1	Pre	E-B	1829	Accumulated Amortization on Leasehold Improvements	Use to adjust book value of assets upon disposition.
2e	2C1	Pre	E-B	1830	Information Technology Software	
2e	2C1	Pre	E-B	1839	Accumulated Amortization on Information Technology Software	Use to adjust book value of assets upon disposition.
2e	2C1	Pre	E-B	1840	Other Natural Resources	
2e	2C1	Pre	E-B	1849	Allowance for Depletion	Use to adjust book value of assets upon disposition.
2e	2C1	Pre	E-B	1890	Other General Property, Plant, and Equipment	
2e	2C3	Pre	E-B	1511	Operating Materials and Supplies Held for Use	
2e	2C3	Pre	E-B	1512	Operating Materials and Supplies Held in Reserve for Future Use	
2e	2C3	Pre	E-B	1513	Operating Materials and Supplies - Excess, Unserviceable and Obsolete	
2e	2C3	Pre	E-B	1521	Inventory Held for Sale	
2e	2C3	Pre	E-B	1522	Inventory Held in Reserve for Future Sale	
2e	2C3	Pre	E-B	1523	Inventory Held for Repair	
2e	2C3	Pre	E-B	1524	Inventory - Excess, Obsolete and Unserviceable	
2e	2C3	Pre	E-B	1525	Inventory - Raw Materials	
2e	2C3	Pre	E-B	1526	Inventory - Work in Process	
2e	2C3	Pre	E-B	1527	Inventory - Finish Goods	
2e	2C3	Pre	E-B	1529	Inventory - Allowance	
2e	2C3	Pre	E-B	1561	Commodities Held Under Price Support and Stabilization Support Programs	
2e	2C3	Pre	E-B	1569	Commodities - Allowance	
2e	2C3	Pre	E-B	1571	Stockpile Materials Held in Reserve	

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2e	2C3	Pre	E-B	1572	Stockpile Materials Held for Sale	
2e	2C3	Pre	E-B	1591	Other Related Property	
2e	2C3	Pre	E-B	1599	Other Related Property - Allowance	
2e	2C4	Pre	E-B	1620	Investments in Securities Other Than Public Debt Securities	Nonfederal
2e	2C4	Pre	E-B	1690	Other Investments	Nonfederal
2e	2C5	Pre	E-B	1310	Accounts Receivable	Includes vendor overpayments related to capitalized assets
Total Resources Used to Fund Items Not Part of the Net Cost of Operations						
2f	2F	Pre	E	5760	Expenditure Financing Sources - Transfers-Out	Adjustment for trust fund outlays that do not affect net cost
2f	2G	Pre	E	7400	Prior Period Adjustments	Use if related to asset or a decrease in a liability reported on line 2.
2f	2G	Pre	E	5600	Donated Revenue-Financial Resources	Cash donations recognized as an offsetting collection
					Other	
	2H			CALC	(+or- 2A) + (+or- 2B) + (+or- 2C1) + (- 2C2) + (- 2C3) + (+or- 2C4) + (- 2D) + (+or- 2E) + (+or-2F) + (+or-2G)	
2g	Sum of section (2a + 2b - 2c + 2d + 2e + 2f)					
3	Difference of section totals (1c - 2g)					
Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period						
Expenses or Earned Revenue Related to the Disposition of Assets or Liabilities, or Allocation of Their Cost Over Time						
4a	3A	Pre	E	6710	Depreciation, Amortization, and Depletion	
4a	3A	Pre	E-B	1613	Amortization of Disc. and Prem. on U.S. Treasury Securities Issued by Public Debt	Subtract net debit balance. Add net credit balance. Related to exchange revenue.
4a	3B	Pre	E	6720	Bad Debt Expense	Related to uncollectible non-credit reform receivables.
4a	3C	Pre	E	7190	Other Gains	Revaluation of assets
4a	3C	Pre	E	7290	Other Losses	Revaluation of assets
4a	3D	Pre	E	7110	Gains on Disposition of Assets	Include in a budgetary resource is not recognized upon sale or disposition of asset.
4a	3D	Pre	E	7210	Losses on Disposition of Assets	
4a	3E	Pre	E	6199	Adjustment to Subsidy Expense	Downward subsidy reestimate
4a	3E	Pre	E	6330	Other Interest Expense	Interest compounded on loan guarantee liabilities
4a	3E	Pre	E	6500	Cost of Goods or Services Sold	
4a	3E	Pre	E	6790	Other Expenses Not Requiring Budgetary Resources	Net credit balance for vendor overpayments receivable, debit balance for other activity.
4a	3E	Pre	E	7300	Extraordinary Items	Associated with obligations only

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4a	1F	Pre	E-B	1310	Accounts Receivable	Nonfederal (Increases)/Decreases. Portion associated with nonfederal exchange revenue, and in some cases nonexchange A/R if net cost was affected.
4a	1F	Pre	E-B	1319	Allowance for Loss on Accounts Receivable	Nonfederal (Increases)/Decreases. Portion associated with nonfederal exchange revenue, and in some cases nonexchange A/R if net cost was affected.
4a	1F	Pre	E-B	1340	Interest Receivable	Nonfederal (Increases)/Decreases
4a	1F	Pre	E-B	1349	Allowance for Loss on Interest Receivable	Nonfederal (Increases)/Decreases
4a	1F	Pre	E	4263	Actual Collection of Loan Interest	Credit reform interest accrual and amortization adjustment to interest revenue
4a	1F	Pre	E	4273	Interest Collected from Treasury	Credit reform interest accrual and amortization adjustment to interest revenue
4a	1F*	Pre	E	5100	Revenue from Goods Sold	
4a	1F*	Pre	E	5109	Contra Revenue for Goods Sold	
4a	1F*	Pre	E	5200	Revenue from Services Provided	
4a	1F*	Pre	E	5209	Contra Revenue for Services Provided	
4a	1F*	Pre	E	5310	Interest Revenue	Credit reform interest accrual and amortization adjustment to interest revenue
4a	1F*	Pre	E	5319	Contra Revenue for Interest	
4a	1F*	Pre	E	5320	Penalties, Fines and Administrative Fees Revenue	
4a	1F*	Pre	E	5329	Contra Revenue for Penalties, Fines and Administrative Fees	
4a	1F*	Pre	E	5900	Other Revenue	Portion associated with exchange revenue. Exclude amounts included in 1310 and 1340.
4a	1F*	Pre	E	5909	Contra Revenue for Other Revenue	Portion associated with exchange revenue. Exclude amounts included in 1310 and 1340.
1F*	Report trust or special fund receipts related to exchange revenue that are either (1) designated by Treasury as "available" but are not immediately available for obligation upon collection, or (2) designated by Treasury as "unavailable" and nonbudgetary until specifically appropriated. Exclude amounts in 1310 and 1340. Also report on line 1F SGL account 5310 for credit reform interest accruals and amortization adjustment to interest revenue.					
3F	CALC +3A + 3B + (+ or - 3C) + 3D + (+ or - 3E)					
Expenses Which Will be Financed with Budgetary Resources Recognized in Future Periods						
4b	4	Pre	E-B	2160	Entitlement Benefits Due and Payable	If net increase, unfunded
4b	4	Pre	E-B	2170	Subsidy Payable to Financing Account	Credit reform. If net increase, unfunded
4b	4	Pre	E-B	2190	Other Accrued Liabilities	If net increase. Unfunded.
4b	4	Pre	E-B	2220	Accrued Unfunded Liabilities	If net increase
4b	4	Pre	E-B	2225	Unfunded FECA Liability	If net increase
4b	4	Pre	E-B	2290	Other Unfunded Employment Related Liability	If net increase
4b	4	Pre	E-B	2610	Retirement Plans	If net increase
4b	4	Pre	E-B	2620	Insurance Plans	If net increase
4b	4	Pre	E-B	2630	Actuarial Life Insurance Liability	If net increase
4b	4	Pre	E-B	2650	Actuarial FECA Liability	If net increase

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4b	4	Pre	E-B	2690	Other Actuarial Liabilities	If net increase
4b	4	Pre	E-B	2920	Contingent Liabilities	If net increase
4b	4	Pre	E-B	2940	Capital Lease Liability	If net increases. Related to payment made prior to FY 1991.
4b	4	Pre	E-B	2990	Other Liabilities	If net increase
4b	4	Pre	E-B	2995	Accrued Cleanup Cost	If net increase
		-OR-	If financing sources yet to be provided can not be derived from the change in certain liability accounts, use the debit balance in future funded expenses, SGL account 6800.			
4b	4	Pre	E	6800	Future Funded Expenses	Debit account balance.

Other Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period

4c						
4d	Sum of section (4a + 4b + 4c)					
5	Sum of section totals (3 + 4d) Should equal amount reported on Statement of Net Cost of Operations					
5	CALC	1I + 2F + 3F + 4				Should equal net cost *